

Chief of Naval Operations

Adm. Jonathan Greenert testifies at the

House Armed Services Committee Hearing on the Future of the Military Services and the Consequences of Defense Sequestration

November 2, 2011

MCKEON:

The committee will come to order.

Good morning. The House Armed Services committee meets to receive testimony on the future of the military services and the consequences of defense sequestration. To assist us with our examination of the impacts of further defense cuts to each of the military services, we're joined by all four services chiefs. Gentlemen, thank you for your service, thank you for being here. I really appreciate your willingness to -- to be here before the committee today. I can't recall the last time that we had all four service chiefs on the same panel, this is a unique opportunity for our members and greatly assist us with our oversight responsibilities. The committee has held a series of hearings to evaluate lessons learned since 9/11 and to apply those lessons to decisions we will soon be making about the future of our force. We've received perspectives from former chairman of the Joint Chiefs of Staff, former service chiefs and commanders of the National Guard Bureau, former chairman of the Armed Services Committees, outside experts, Secretary Panetta and Chairman of the Joint Chief's of Staff, General Dempsey.

Today we have the opportunity to follow up on the testimony of the secretary of defense and chairman of the Joint Chiefs of Staff to determine more closely the challenges faced by each of the services.

As I continue to emphasize our successes in the global war on terror and in Iraq and Afghanistan, (inaudible) lulling our nation into a false sense of confidence, such as a September 10th mind set. Too many appear to believe that we can maintain a solid defense that is driven by budget choices, not strategic ones. But as we heard from witnesses again last week, defense spending did not cause the current fiscal crisis. Nevertheless, defense can and will be a part of the solution. The problem is that to day, defense has contributed more than half of the deficit reductions measures we've taken and there are some who want to use the military to pay for the rest, to protect the sacred cow that is entitlement spending. Not only should that be a nonstarter from a national security and the economic perspective, but it should also be a nonstarter from a moral perspective.

Consider that word, entitlements. Well entitlements imply that you're entitled to a certain benefit and I can't think of anyone who has earned the right ahead of our troops. By volunteering to put their lives on the line for this country, they're entitled to the best training, the best equipment, the best leadership that our nation can provide. I hope our witnesses today can help us understand

the ramifications of these possible cuts in relation to our force structure (ph) as well as our ability to meet the future needs of our national defense. How can we make sure the military is a good steward of the taxpayers dollar without increasing the risk to our armed forces. Where can we take risk, but what changes would go too far?

With that in mind, I look forward to hearing from our witnesses today.

With that I yield to Ranking Member Smith.

SMITH:

Thank you, Mr. Chairman and thank you for holding this hearing. It's -- it's an honor to be here with all four of our service chiefs. I appreciate your leadership for our military and I also appreciate this series of hearings that this committee has had to examine the impacts of budget cuts and our deficit on the defense budget. I think it's critically important that we make smart choices in this difficult budget environment.

There's no question that our debt and deficit have placed enormous pressure on our country, but also most specifically on the Department of Defense and our ability to adequately provide for the national security.

Now the defense is 20 percent of the budget, it's going to be part of the solution, but as the chairman points out, it already has been as part of the debt ceiling agreement in August, the defense budget is (inaudible) somewhere between \$450 and \$500 billion in cuts over the course of the next 10 years, getting to those cuts would be great challenge, but it wrong to think that the defense budget has somehow been -- been held apart from our debt and deficit problems. Quite the opposite, it's been in front and center.

So what we really need to hear from our witnesses hear from our witnesses here today is first of all, how they're going to handle those initial cuts over the course of the next 10 years, how they're going to do that in a way that continues to protect our national security, because keep in mind even though we do have debt and deficit problems, we also have growing national security threats.

We have certainly the threat from Al Qaida and their affiliates remains; we have Iran and North Korea who are both growing in capability and belligerence; and we also have the rise of China, both economic and militarily, just -- just to name a few. So our threats haven't gone away even though the money is going to become harder to come by, so how we're going to manage that is critically important.

And then also as the chairman said, to just sort of point out the limitations on how far we can cut the defense budget beyond what we've already done. The true impact of sequestration and how it would damage our ability to provide adequately for our national security. And I would ask the witnesses in that testimony to be specific about it. We've heard a great deal that is you cut below this level, well it's a question of raising the risk level.

What does that mean? I think our country needs to hear specifically is you cut this much, here's what we won't be able to do and here's how it could potentially threaten our national security. So I applaud the witnesses, applaud the Department of Defense for going through the process of restructuring our defense budget, looking at a strategic review of where we're spending our money, that process is ongoing and I think it's critically important and we look forward to hearing more about what choices you've faced and what we need to do to make sure that we adequately provide for our national security.

And with that, I yield back, thank you, Mr. Chairman.

MCKEON:

Thank you.

Now let me please welcome our witnesses this morning. We have General Raymond T. Odierno, Chief of Staff of the U.S. Army; Admiral Jonathan W. Greenert, Chief of Naval Operations; General Norton A. Schwartz, Chief of Staff of the Air Force; and General James F. Amos, Commandant of the Marine Corps.

Gentlemen, thank you again for being here. Appreciate that, and we look forward to a candid dialogue this morning.

General Odierno?

ODIERNO:

Thank you, Chairman McKeon, Congressman Smith, and other members of the committee. Since this is my first time to appear before you as the chief of staff for the Army, I want to start by telling you how much I appreciate your unwavering commitment to the Army and the Joint Force. I look forward to discussing the future of the Army and the potential impact of budget cuts on future capabilities readiness in depth.

Because of the sustained support of Congress and this committee, we are the best trained, best equipped and best led force in the world today. But as we face an uncertain security environment and fiscal challenges, we know we'll probably have to get smaller. But we must maintain our capabilities to be a decisive force, a force trusted by the American people to meet our security needs.

Over the past 10 years, our Army, active Guard and Reserve has deployed over 1.1 millions soldiers to combat. Over 4, 500 soldiers have made the ultimate sacrifice. Over 32,000 soldiers have been wounded, 9,000 of those requiring long-term care. In that time, our soldiers have earned over 14,000 awards for valor, to include six medals of honor, and 22 distinguished service crosses.

Throughout it all, our soldiers and leaders have displayed unparalleled ingenuity, mental and physical toughness and courage under fire. I'm proud to be part of this Army, to lead our nation's most precious treasure, our magnificent men and women. We must always remember that our Army is today and will always be about soldiers and their families.

Today, we face an estimated \$450-plus in DOD budget cuts. These will be difficult cuts that will affect force structure, our modernization programs, and our overall capacity, and it will incur increased risks. We cannot afford to repeat the mistakes of previous reductions. I respectfully suggest we make these decisions strategically, keeping in mind the realities of the risks they pose. And that we make decisions together, unified, to ensure that when the plan is finally decided upon, all effort has been made to provide the nation the best level of security and safety.

Our Army must remain a key enabler in the Joint Force across a broad range of missions, responsive to the combatant commanders and maintain trust with the American people. It's my challenge to balance the fundamental tension between maintaining security in an increasingly complicated and unpredictable world, and the requirements of a fiscally austere environment. The U.S. Army is committed to being a part of the solution in this very important effort.

Accordingly, we must balance our force structure with appropriate modernization and sufficient readiness to sustain a smaller but ready force. We will apply the lessons of 10 years of war to ensure we have the right mix of forces, the right mix of heavy, medium, light and airborne forces, the right mix between the active and Reserve components, the right mix of combat support and combat service support forces. The right mix of operating and generating forces, and the right mix of soldiers, civilians, and contractors.

We must ensure that the forces we employ to meet our operational commitments are maintained, trained and equipped to the highest level of readiness. As the Army gets smaller, it's how we reduce that will be critical. While we downsize, let's do it at a pace that allows us to retain a high quality, all-volunteer force that remains lethal, agile, adaptable, versatile, and ready to deploy with the ability to expand if required.

I am committed to this as I'm also committed to fostering continued commitment to the Army profession and the development of our future leaders. Although overseas contingency operation funding will be reduced over the next several years, I cannot overstate how critical it is in ensuring our soldiers have what they need while serving in harm's way.

As well as the vital role OCO funding plays in resetting our formations and equipment, a key aspect of our current and future readiness, failing to sufficiently reset now would certainly incur a higher future cost, potentially in the lives of our young men and women fighting for our country.

Along with the secretary of Defense and the secretary of the Army, I share a concern about the potential sequestration, which will bring a total reduction of over \$1 trillion for the Department of Defense. Cuts of this magnitude would be catastrophic to the military, and in the case of the Army would significantly reduce our capability and capacity to assure our partners abroad, respond to crisis, and deter our potential adversaries, while threatening the readiness and potentially the all-volunteer force.

Sequestration would cause significant reductions in both active and Reserve component end-strengths, impact our industrial base, and almost eliminate our modernization programs, denying

the military superiority our nation requires in today's and tomorrow's uncertain, challenging, security environment.

We would have to consider additional infrastructure efficiencies, including consolidations and closures, commensurate with force structure reductions to maintain the Army's critical capacity to train soldiers in units, maintain equipment, and prepare the force to meet combatant commanders' requirements now and in the future.

It would require us to completely revamp our national security strategy and reassess our ability to shape the global environment in order to protect the United States. With sequestration, my assessment is that the nation would incur an unacceptable level of strategic and operational risk.

Mr. Chairman and members of the committee, I thank you again for allowing me the opportunity to appear before you. I also thank you for the support you provide each and every day to the outstanding men and women of the United States Army, our Army civilians and their families.

Thank you very much.

MCKEON:

Thank you.

Admiral Greenert?

GREENERT:

Thank you, Mr. Chairman.

Chairman McKeon, Ranking Member Smith, members of the committee, it is my honor and I'm frankly quite excited to appear before you today for the first time as the chief of the Naval Operations. And I very much thank you, Mr. Chairman, and members of the committee, for all you've done for our sailors and their families throughout the years.

In the interests of trying the characteristic of a picture painting 1,000 words, I've provided a little chart of where we are today, where your Navy is. We do our best operating forward at what I call the strategic maritime crossroads. We deploy from the ports in the United States - and they're shown here as little dots - and Hawaii. We have about 45 ships underway on the East Coast and West Coast collectively, which are preparing to deploy, 145 ships underway today total. So that's about 100 ships deployed, about 34 to 40 percent of our Navy, your Navy, is deployed today, and it's been that way for about three years.

For a perspective, in 2001 we had about 29 percent of your Navy deployed. We operate out and about around that what I call the maritime crossroads, where commerce is, where the sea lines of communication are, because it's about ensuring economic prosperity around the world and influencing all the theaters. And those areas, those crossroads, are - they look like little bowties, perhaps, or little valves, depending on your background.

We operate from what I call cooperative security locations - those are shown as little squares - from Guantanamo Bay in the Caribbean, to Diego Garcia in the Indian Ocean, to Singapore, through Guam, through Djibouti, Bahrain, and of course in the Mediterranean and in Rota So we are clearly globally deployed. We're required to be forward, flexible and lethal, as we demonstrated in Libya, Somalia, off the coast of Yemen, and of course today in Afghanistan, where we provide about one-third of the close air support for our brothers and sisters on the ground. No permission is needed for our operations, and we're all United States sovereignty.

As I said, it's about freedom of the seas for economic prosperity. And as change operations in the Mideast from perhaps a ground focus, your Navy and Marine Corps will retain the watch forward. We'll deter, we'll dissuade and we'll assure. We'll be postured to fight as needed. We are your offshore option. We won't intrude, we are stabilizing and we continue to build partnership capacity with allies and with our friends.

And I just add as a clip, today there's a Chinese ship, a hospital ship, conducting operations in the Caribbean Sea and has been on a round-the-world tour recently, doing their part, I guess, in the world.

Our focus in the future will be the Pacific and the Arabian Gulf, but we won't be able to ignore the other regions. Where and when trouble emerges next is really unknown. And as it's been stated in this room many times, the future is unpredictable, as we know.

We have to be prepared. We have to respond when tasked, and our challenge is to posture for that possibility. But in the end, all that being said, we can never be hollow, we have to be manned, trained and equipped with a motivated force. We have to build the Navy tomorrow, the ships, the aircraft, the unmanned systems, the weapons and the sensors. And underpinning it all are our sailors and their families. We have to take care of the sailors, the civilians and the families, and build, as I said, in the future the motivated, relevant and diverse force of the future.

As John Paul Jones said years ago, and it still applies, "Men mean more than guns in the rating of a ship." But above all, we have to be judicious with the resources that the Congress provides us. As we look ahead to this current budget plan that we are working on, over half a trillion dollars over 10 years, it's a huge challenge. There are risks. It's manageable with a strategic approach and with appropriate guidance given.

On the other hand, in my view sequestration will cause irreversible damage. It will hollow the military and we will be out of balance in manpower, both military and civilian, procurement and modernization. We are a capital-intensive force and going in and summarily reducing procurement accounts here and there will upset quite a bit of our industrial base, which in my view, if we get into sequestration, might be irrecoverable.

In 1998 we had six shipbuilders companies, today we have two. We have six shipyards going to five in 2013. The impact of the Continuing Resolution if we go beyond November the 19th, I'll just mention two areas of concern in the near term. In manpower, we are fine through November the 18th, but we would need additional funds through a continuing resolution language if need

be, because our manpower starts ramping up at that part. So we would need assistance in that regard in manpower in a continuing resolution.

Operations and management accounts are manageable through late in the first quarter. As we start the second quarter, Mr. Chairman, we would be compelled to do what we've done in the past. Defer maintenance, defer modernization of our shore sites, travel -- freeze travel, and maybe freeze civilian hiring, in that case, to get through.

It depends on the dates, but we would -- we've been engaged with your staffs. We appreciate their support and the support of this committee.

I thank you for the opportunity to testify and I look forward to your questions.

Thank you, sir.

MCKEON:

Thank you.

General Schwartz?

SCHWARTZ:

Mr. Chairman, Ranking Member Smith, and members of the committee, thank you for the opportunity to appear before you today.

I'm privileged to be a part of this panel of service chiefs to share the obligation of service leadership with them and to represent the nation's airmen.

I think that we all can agree that our men and women in uniform deserve all the support and resources that we can provide them in their vital mission of protecting the nation. And on their behalf, I thank you for your ongoing efforts to ensure that we care for our service members and their families.

In this time of sustained fiscal pressure, the Air Force joins its OSD teammates in helping to solve the nation's debt crisis. Last year, the Air Force identified \$33 billion in efficiencies as part of the broader Department of Defense effort to reallocate \$100 billion from overhead to operational and modernization requirements. The Air Force subsequently found an additional \$10 billion in the course of completing the 2012 budget.

We will continue to make extremely difficult decisions to prioritize limited resources and prepare for a wide range of security threats that the nation will potentially face. But these difficult choices to assure effectiveness in a very dynamic strategic and fiscal environment must be based on strategic considerations, not compelled solely by budget targets. We must prudently evaluate the future security environment, deliberately accept risk, and devise strategies that mitigate those risks in order to maintain a capable and effective, if smaller, military force.

Otherwise, a non-strategy-based approach that proposes cuts without correlation to national security priorities and core defense capabilities will lead to a hollowed-out force similar to those that followed, to a greater or lesser degree, every major conflict since World War I. If we fail to avoid the ill-conceived across-the-board cuts, we again will be left with a military with aging equipment, extremely stressed human resources with less than adequate training, and ultimately declining readiness and effectiveness.

Those of us at the table remember when we faced a similar difficult situation in the years after Vietnam and the Cold War. We therefore join Secretary Panetta and Chairman Dempsey in advising against across-the-board cuts, particularly the sweeping cuts pursuant to the Budget Control Act sequester provision. At a minimum, they would slash all of our investment accounts, including our top priority modernization program such as the KC-46, the tanker, the F-35 Joint Strike Fighter, the MQ-9 remotely piloted aircraft, and the future long-range strike bomber.

It would raid our operations and maintenance accounts, forcing the curtailment of important daily operations and sustainment efforts. And they would inflict other second- and third-order effects, some of them currently unforeseen, that will surely diminish the effectiveness and the well being of our airmen and their families. Ultimately, such a scenario gravely undermines our ability to protect the nation.

But beyond the manner in which the potential budget cuts are executed, even the most thoroughly deliberate -- deliberated strategy will not be able to overcome the dire consequences of cuts so far beyond the \$450 billion-plus in anticipated national security budget reductions over the next 10 years. This is true whether cuts are directed by sequestration or by joint select committee proposal or whether they are deliberately targeted or across the board.

From the ongoing DOD budget review, we are confident that further spending reductions beyond the Budget Control Act's first round of cuts cannot be done without substantially altering our core military capabilities and therefore our national security.

From the perspective of the Air Force, further cuts will amount to further reductions in our end strength, continue aging and reductions in the Air Force's fleet of fighters, strategic bombers, airlifters and tankers, as well as to associated bases and infrastructure, and adverse effects on training and readiness, which has been in decline since 2003. Most noticeably, deeper cuts will amount to diminished capacity to execute concurrent missions across the spectrum of operations and over the vast distance -- distances of the globe.

So while the nation has become accustomed to and perhaps has come to rely on effective execution of wide-ranging operations in rapid succession or even simultaneously, we will have to accept reduced coverage in future similar concurrent scenarios if further cuts to the national security budget are allowed to take effect.

For example, the Air Force's simultaneous response to crisis situations in Japan and Libya, all the while sustaining our efforts in Afghanistan and Iraq, will be substantially less likely to happen in the future, as would effective response to other scenario-like operations -- Tomodachi and Unified Protector -- requiring concurrent action spanning across the globe in the operational

spectrum, in this case, from humanitarian relief in East Asia to combat and related support in North Africa.

In short, Mr. Chairman, your Air Force will be superbly capable and unrivaled bar-none in its ability to provide wide-ranging game-changing air power for the nation, but as a matter of simple physical limitation, it will be able to accomplish fewer tasks in fewer places in any given period of time. While we are committed to doing our part to bring the nation back to a more robust economy, we are also convinced that we need not forsake national security to achieve fiscal stability.

We believe that a strategy-based approach to the necessary budget cuts and keeping those cuts at a reasonable level will put us on an acceptable path.

Mr. Chairman, Congressman Smith and members of the committee, on behalf of the men and women of the United States Air Force, I thank you for your support of our airmen, certainly their joint teammates, and their families. I look forward to your questions, sir. Thank you.

MCKEON:
Thank you very much.

General Amos?

AMOS:
Chairman McKeon and Ranking Member Smith, fellow members of the committee, thank you for the opportunity to testify about your United States Marine Corps. As we face the challenging times ahead, the Marine Corps reaffirms its commitment to this -- to its traditional culture of frugality. You have my word that the Marine Corps will only ask for what it needs, not for what it might want.

But before I begin, I cannot pass up the opportunity to briefly comment on your Marines in Afghanistan. We continue to provide the best-trained and -equipped Marine units to the fight. This will not change. Your Marines continue to apply relentless pressure on the enemy and are setting the conditions for success in the Helmand province today. They have made great progress.

Our forward-deployed Marines continue to have all they need with regards to equipment, training and leadership to accomplish the mission.

Thank you for your continued support.

While our nation moves to re-set its military in a post-Iraq and -Afghanistan world, it does so in increasingly complex times. As we explore ways across the department to adjust to a new period of fiscal austerity, there emerges a clear imperative that our nation retain a credible means of mitigating risk while we draw down the capacity and the capabilities of our nation.

Like an affordable insurance policy at less than 7.8 percent of the total DOD budget, the Marine Corps and its Navy counterpart amphibious forces represent a very efficient and effective hedge against the nation's most likely risks. We are a maritime nation. Like so much of the world, we rely on the maritime commons for the exchange of commerce and ideas; 95 percent of the world's commerce travels by sea; 49 percent of the world's oil travels through seven maritime choke points. Many depend on us to maintain freedom of movement on those commons. We continue to take that responsibility seriously.

From the sea, we engaged with and support our partners and our allies. We respond to crisis where we have no access rights or permissive facilities, and we represent our national interests around the world.

When the nation pay the sticker price for its Marines embarked aboard amphibious ships, it buys the ability to remain forward- deployed and forward-engaged to assure our partners, confirm our alliances, deter our enemies, and represent our national interests. With that same force, our nation gains the ability to globally respond to unexpected crisis, for humanitarian assistance, disaster-relief operations, to non-combatant evacuation operations, to counter-piracy operations.

That same force can quickly be reinforced to assure access in the event of a major contingency. It can be dialed-up or dialed-down like a rheostat to be relevant across a broad spectrum of operations. As America's principal crisis-response force, we stand ready to respond to today's crisis with today's force today.

Finally, the American people believe that when a crisis emerges, Marines will be present and will invariably turn in a performance that is dramatically and decisively successful, not most of the time, but always. They possess a heartfelt belief that the Marine Corps is good for the young men and women of our country.

In their view, the Marines are extraordinarily adept at converting unoriented youths into proud, self-reliant, stable citizens -- citizens into whose hands the nation's affairs may be entrusted. An investment in the Marine Corps continues to be an investment in the character of the young people of our nation.

Thank you for the opportunity to offer this statement. I look forward to your questions.

MCKEON:

Thank you very much.

For the last few decades, we've been spending money that we didn't have. And I'd say probably all across the government, we've probably had some spending that -- that included some waste. And that probably is true in the Defense Department as in all other departments of government.

I think Secretary Gates, looking ahead seeing we were going to have some cuts a little over a year ago, asked you to find \$100 billion in savings and said that you would be able to keep that for things that you needed more and just balancing, find efficiencies, find ways to -- to save money that -- that had been spent for things we didn't need as much as other things.

You (inaudible). And then you said you were only going to get to keep \$74 billion of it. \$26 billion, I think was the number, would be used for -- had to be used for must-pay items. And in the course of that he said we found another \$78 billion that we would be able to cut out of future defense costs. Before (inaudible) he'd been giving speeches saying we needed to have a 1 percent increase over and above inflation just to keep where we are in the future years. That \$78 billion wiped that out.

And it also caused a reduction in end strength in the Army and the Marines of 47,000 by the year 2015. And then the president gave a speech and said we had to cut another \$400 billion out of defense. All of this has happened in the last year.

And then we had the Deficit Reduction Act, and that had a number in it. We keep seeing that \$350 billion, but I met with Admiral Mullen not too long before his retirement. And he said he had given you the number \$465 billion that you had to come up with in savings over the next 10 years. That's already done.

So when -- when we all came back to start this new Congress and we talked about the budget and everything had to be cut and everything had to be on the table, (inaudible) understand that out of the first tranche of -- of cuts that we made, it was almost a trillion dollars and defense was half of the table. And you've already done it. Those cuts that -- that we're talking about are going to kick in in next year's budget, but you've already made the steps of already making those cuts.

And I'm not sure that that's happening across the rest of government, and I know it's not happening in the area of entitlements, which we're looking to the special committee to come up with. I think it's important that everybody understands that when we start seeing these cuts, they're going to find out that they're real and there's -- most of you have said, many of it is irreversible.

When I met with the -- over the weekend with Admiral Greenert, we were down in Norfolk and I got to meet with the crew of the York. And one of them asked me, he said, "I've been in the Navy now 12 years and they won't let me reenlist." I think that's just starting. And then a -- and then another sailor asked me, "What's going to happen to our retirement? What's going to happen to our future?" All of those things are going to start coming.

We have had now five hearings, as I mentioned earlier, and then one that talked about the impact on the services. This will be the sixth. And then we had one last week with three economists talking about what will be the economic impact.

And -- and we don't have the total number of jobs that will be lost out of uniformed personnel, out of civilians working in defense, and out of the contractors that make the thing that our war fighters use to protect our nation.

We do know that if the sequestration hits, it will be about 1.5 million jobs. So we're talking about deep cuts in defense that will affect our readiness. It has to. That will affect -- when it gets down to bottom line we're probably going to be talking about training.

We're going to be talking about all of the things that we've been trying to say our so important to have this top military, the best that we've ever seen in the history of this nation, and all without a talk about threat or about strategy. It just comes from budget driven.

Now I know if we had a clean sheet of paper, the first thing we'd probably do is say look at the risks that this country faces, that the world faces. That we're the ones that we stand between the risk and the rest of the world.

I just want to make sure that when these cuts all start happening, when all of our people in our district and all of the people who we represent start calling us and saying, as they've been telling me when I go home and talk to them, "That isn't what we meant. We just wanted to cut the waste. We did not want to cut the ability to defend ourselves."

I've seen this happen. You know, we played this movie before after World War I, after World War II, after Korea, after Vietnam. We draw down so that we won't be prepared for the next one. That seems to be our DNI -- DNA.

And I think we need to stop and take a breath and review (ph) look at this because some of these cuts that are coming down right now, we're not going to be able to reverse next year or two years from now or -- it -- the sailor that is leaving that has 12 years in the Navy, it's going to take 12 years to replace him.

General Schwartz, in your testimony you stated that the department is confident that further spending reductions beyond the more than \$450 billion -- I've heard numbers up to \$489 billion - - that are needed to comply with the Budget Control Act's first round of cuts cannot be done without damaging our core military capabilities, and therefore our national security. This is very serious stuff that we're talking about.

(Inaudible) General Dempsey told us that certain cuts would be irrevocable. Nevertheless, the notion persists that the department can weather further cuts for a couple of years so long as we increase funding later.

That carrier that I saw those 20,000 people working on, if we just say let's just put that on hold, you 20,000 people just take a little furlough, I've found though that many of them are addicted to eating and providing for their families. And we just ask them to take a little furlough and then maybe next year we'll come and pick up where we -- where left off. That just -- it's not reality.

Can each of you tell us whether you agree with General Schwartz's assessment and provide us with examples of cuts that would have lasting impacts even if appropriations were increased in a year or two?

General?

ODIERNO:

Chairman, thank you. First off, I would remind everyone that as we look at cuts in the next two years or so upfront, that today the Army still has over 100,000 soldiers deployed forward in Iraq, Afghanistan, other places.

And yes, we're coming out of Iraq at the end of the year but there's still a significant amount of burden that the Army will face at least through 2014. And it's important to remember that as we look at 2013 and '14 and the impact that that would have on our ability to train and ensure that they are ready and equipped and have the processes in place.

So some of the things, as we -- as you mentioned, we already are going to reduce our force structure to 520,000. And that's before we received these additional cuts. And that will impact the OPTEMPO of our soldiers. It'll continue to impact the stress that is on the Army, its soldiers, its families. And as important -- or not as important but second in line is equipment.

And then ultimately this could -- if we try to fund our soldiers in a (inaudible), it would then ultimately affect our training and our readiness as we look to detour in other areas as our enemies and adversaries watch us as we reduce our capabilities within our Army. It would also require -- we've already had to consolidate debt bows (ph). We've had to consolidate other -- other areas of manufacturing. That's allowing us to save, gain efficiencies.

And additional cuts would cause us to look at that even further and challenge our ability and our own industrial base to provide for our -- for our soldiers and equipment that we will need and readiness that we'll continue to need. So it's across the board that -- that we would be affected as we move forward.

AMOS:

Mr. Chairman, from our perspective we share the same anxieties that my fellow service chiefs have over greater than a \$450 billion addition to the bill. But it will do it for our nation and -- and -- there's no question it will reduce our forward presence.

Admiral Greenert talked today about the Chinese hospital (ph) ship that's down in the -- in our hemisphere. Our lack of forward presence as a result of drawing back because we can't afford the operations and -- and maintenance funds to deploy forward, we can't afford the ships, we can't afford the personnel to be able to do that, will be filled by somebody.

That void will be filled by another nation. And the net result, we don't know what that might be, but down the road it could mean a lack of access, a lack of ability to engage and shape a nation around the world that -- that -- that our country believes it's important to be involved in. So forward presence.

There's no question that it will decrease our dwell time. As we shrink our force to pay the bill, we only have three ways that we can pay bills. One is in procurement, one is in personnel, and the other one is operations and maintenance. So you can dial those three dials in any -- in any combination, but -- but there are three dials that we have.

So as you -- as you increase the level of burden of the debt on the military, you are going to reduce force -- the force presence. In other words, our force structure. And that is going to

decrease dwell time between units. It's going to -- it's going to decrease the quality of life of our servicemembers.

AMOS:

Finally, it will stagnate the reset. There's no doubt in my mind that -- that we are going to struggle trying to reset the Marine Corps coming out of Afghanistan.

For all out time in Iraq and Afghanistan, we purposely didn't rotate equipment in and out of there. We maintained it in theater, we did it on maintenance in theater and selectively rotated principle and (inaudible). We don't have the depth on the bench to not -- to afford not to be able to reset that equipment.

As it relates to irreversible damage, the kind that -- that we cannot regain again, I'll offer a couple of thoughts. One would be the industrial base for naval shipping and -- and Admiral Greenert talked a little bit about that and I'm sure he'll talk some more. I mean that could be terminal.

But for selfishly, as I look (inaudible) at the Marine Corps, the two capabilities that are being solely built throughout the world, the only place that's being built is the United States of America, and that's tilt rotor technology and that's the short take off of vertical landing F-35B. There's not another nation in the world. So if those lines were closed, that becomes terminal. That will become irreversible. You will not be able to gain that back.

And the final and probably the most important point because we are a manpower intensive organization, is we will lose that leadership of those NCOs and those staff noncommissioned officers at the five, six, seven year mark that have shouldered the burden of the last 10 years of our conflicts. We will lose that. They will leave and we will -- it will take us another six to 10 years, as you said, to grow that sailor down in

Norfolk or that staff NCO or NCO within the Marine Corps.

GREENERT:

Thank you, Mr. Chairman.

I think General Odierno and -- and General Amos laid out the choices pretty well. Our choices are similar but I go to as General Amos said, the industrial base and, Mr. Chairman, you were there, I was there. So we brought a submarine in on budget, actually under budget and -- and early and that's because they're in, you know, they're in, you know, they're in that mix. They've got the welders there, they've got the people there, they're rolling. If we interrupt that, clearly we'll pay a premium for when we attempt to reconstitute because we won't have that -- that efficient process going in place.

Right now, looking just at nuclear ships, and that's where you and I were, sir. We have 90 percent of the sub vendors, these are the people that make reactor components, they make turbines and these sorts of things for the nuclear powered ships, our single source. And these folks, that's their, you know, that's their livelihood is this nuclear -- naval nuclear technology. So

if we interrupt that, I don't know how many of these we lose or how we reconstitute it, just don't know.

As you said before, folks have to eat, so where will the welders go? Well they'll go somewhere else to work. We have design engineers pretty unique skill to build nuclear carriers and build submarines. We are in the early stages, as you know, of building our -- designing our next SSBN, we need those folks, so giving them a holiday is probably not going to work.

When the British Navy did something similar, they were compelled to do it, it took them 10 years to get to build the next submarine and that's really not very efficient as we know.

There'll be layoffs as we mentioned before. To preclude that, we would have to go to (inaudible) structures, so my pictorial here, if you look around the world, so we do (inaudible) structure, were do you reduce the ships that are deployed? If you can't do that, then you'll have to deploy them in a shorter cycle, we call that going to surge.

When you were down in Norfolk, you heard the sailors say we're kind of tired because we're at a pretty rapid pace and turnaround right now. So this would go on the backs of sailors and those ships which we need more time to train and to maintain the ships so that when we do deploy them, they're fully ready, as General Amos said to do the job of the nation so we'd be compelled to go there to reduce (inaudible) structure.

So it's not a very good -- not a very good set of choices, but that's what we have to contend with. We have to do our best job realizing and figuring out in that regard.

Thank you, sir.

SCHWARTZ:

Sir, I can't amplify what my colleagues have said except to emphasize that your soldiers, sailors, airmen and Marines are not going to go on break. I think that's wishful thinking.

ODIERNO:

Chairman if I could just follow up on that...

MCKEON:

Yes.

ODIERNO:

... we talked at a very -- we talked at a low level, specific (inaudible) but I think it's also important to think about it in a more strategic sense in the impact and you know from an Army perspective, I think about our ability to prevent our ability to win and our ability to build and I'd just like to talk about this for a minute.

Our ability to prevent is based on our credibility and credibility is based on our capacity, our readiness and our modernization. Our ability to win is based on us being decisive and dominant. If we're not -- we -- if we're not decisive and dominant, we can still win but we win at the cost of

the lives of our men and women because of the time and -- and -- and capabilities that we have would not be equal to what we believe would be -- allow us to win decisively.

And third, as was discussed here with forward presence and other things, we have to be able to build. We have to be able to build through engagement, through forward presence, through our ability to build partner capacity, our ally capacity so we can go hand in hand in protecting not only the United States, but -- but our allies.

And ultimately, that's what this -- this is about and all these things we just talked about affect that and I think that's my biggest concern as you move forward. And we'll have those who attempt to exploit our vulnerabilities, if we're required to cut too much. And they will watch very carefully at what we do and they will -- they will challenge our credibility and they could miscalculate, which could cause some significant issues down the road, not only for -- for -- for our own security.

Thank you.

MCKEON:

Thank you.

Mr. Smith?

SMITH:

Thank you, Mr. Chairman. I agree very strongly with the industrial based argument that you just made, it's -- it's a matter of losing core capabilities that are critical to our national security and having U.S. companies that are capable of those core capabilities is also critical it's not that well understood. But our U.S. companies are great partners in our national security in many, many ways and we've seen over the course of the last 10 to 15 years a reduction in that and an increase in our reliance on -- on international companies to provide some core capabilities. We don't want to see that slip and we don't want to lose the skill sets of our workers that are necessary to that.

I also would like to add to that that it has an impact on the nondefense portion of the -- of our economy as well. The manufacturing skills for instance, that are developed as we are trying to make some of our weapons systems have direct applications on the commercial side that lead to businesses, that lead to economic growth for us. So to -- to hit that would be a very, very devastating impact on our economy.

I do (inaudible) feel those same arguments, however, apply to infrastructure, apply to transportation and energy and a lot of the systems that that portion of our federal budget funds and also to education.

I was speaking with someone from the -- someone in Virginia saying they're -- they're talking about maybe going to a -- a three day school week to try to accommodate some of the local budget cuts that are being hit there. That impacts our national security and our defense as well. And while I certainly agree with the chairman, that mandatory programs, which are 55 percent of our budget, you -- you can't deal with a -- a 35 to 40 percent deficit and take 55 percent of the

budget off the table. They too are important, Medicare, Social Security, Medicaid have a huge impact on the quality of life for our citizens, which is why I have argued that revenue needs to be part of the equation, part of what we discussed.

We -- if we have these crushing needs across many different areas, part of it is making sure that we have the money to pay for them. And while certainly our spending has gone up significantly in the last decade, our revenue has gone down significantly in our last decade as a percentage of GDP, so I think we need to put everything on the table and be responsible about it.

And those of you who may have watched the supercommittee hearing yesterday, if -- if the supercommittee succeeding is all that stands between us and sequestration, then we have cause for concern and we have an investment in trying to figure out a way to help the supercommittee succeed and it's not rocket scientists, not -- sorry, not rocket science, put everything on the table, including revenue and mandatory programs. As long as those two things are off the table, all that's left is the discretionary budget. I care about portions of the discretionary budget that aren't just defense, but if you just care about defense, that's more than half of the discretionary budget, it puts us in a very, very untenable position.

The question (inaudible) have is you gentlemen have talked a great deal about our ability to project power and have a foreign presence and I agree that that is incredibly important in maintaining our interests. One of the things we frequently hear from folks who are looking for ways to save money in defense is oversea basing. Why do we have, you know the troops that we have in -- in Asia, in Europe, I think you've done a pretty good job of expelling some of that.

One other (inaudible) talk a bit more about how that foreign presence and the -- and the presence of those bases and then also, make clear the money because I think a lot of people don't understand that a lot of our foreign partners pay the substantial amount of the costs of that foreign presence and if we were to get rid of those foreign bases, and simply bring those troops home, it would actually cost us more money in addition to costing us some of the partnerships that we have with countries like Korea and Japan.

Could you lend a little bit of your expertise to explaining that?

ODIERNO (?):

Congressman Smith, if we want to be a global power, we've got to be out and about and that implies having it -- and if we want to contribute to regional stability, that includes being forward and that's different aspects of the joint team can accomplish those tasks. But to be sure, if the Western Pacific, for example, is rising in strategic importance to the country, what we don't want to do, and you've heard the secretary of defense say this is -- is to arbitrarily reduce our presence there or reduce the capabilities -- the breadth of capabilities that -- that the team provides there and this is true in other areas of the world.

Clearly in some areas of the Western Pacific, the allies do assist us and provide us resources for basing and facilities and so and so forth. This is true both in Korea and Japan and it happens elsewhere.

SMITH:

If I may, General, I think when you say rising in importance, I think it's important to point out why. It's economics primarily, access to overseas markets is critical to our economic growth, certainly access to energy, we all focus on oil, natural gas and all of that, but also access to critical minerals that are necessary for our economy and if we don't have that presence and China does, they're in a better position to cut off critical economic needs for the -- for the health of our nation. So that's -- that's the link that I think people need to understand.

I'm sorry, go ahead.

ODIERNO (?):

And I'll just conclude by saying that a byproduct of that presence is access. And if you want to have a power projection military, it requires some measure of access. Some require less than others, I -- I acknowledge, but the bottom line is having relationships with others and having access to locations where one -- lily pads, if you will -- from which you can project power is vitally important to our nation.

GREENERT (?):

If I may -- thank you for the question, Mr. Smith.

Again, my chart with the little squares where you see a foreign nation, I mean, that -- that's what I call a place because it's not really a base because that's their sovereign territory. But we -- we get on the order of, and it varies with the end-rate (ph), so that given, somewhere around \$4 billion of host-nation support from Japan.

We've been partnered with them for over 60 years. They share information with us. They are an amazing forward-leading, high-end ally. It is -- it is more than information-sharing and it's more than host-nation support where they take care of our families. And we wouldn't be able to do Operation Tomodachi if we weren't forward and right around there. We wouldn't have been able to do the operation in Libya if we weren't forward and somewhere around there; the Pakistan earthquake, the Pakistan floods.

If you go to Singapore, they have built a pier facility called Changi pier, and they have provided that opportunity to us. That's host-nation money. There's a command-and-control center there for humanitarian assistance, disaster relief, and they have offered us to use their piers for our deployments, to repair our ships, et cetera.

Same story in Bahrain. We have had decades of interaction, of building a relationship there, and they, too, offer us -- to berth our ships, repair our ships. And of course, as you know, our headquarters are there for Navy Central Command.

So there's a host out there, and you can see the advantage. And if we're not there, it's hard to influence and you can't surge trust and confidence. You have to build it.

Thank you.

SMITH:

Thank you.

SCHWARTZ (?):

If I could just piggy-back on the comments. Clearly, we are going to have to prioritize, though. There is going to be a prioritization that has to occur. And as we develop a strategy, it will have to be based on that strategy, where our forward-presence is.

And as was stated, though, with Korea, Japan, the Army has relationships where we have shared costs. The Navy has to be forward- deployed, and specifically Kuwait for a very long time has helped us in funding many of the -- the forces and capabilities that we have in the Middle East.

So these will continue. And in fact, some places, based on our strategy, might want to expand those relationships, and in others we'll have to look at is it still viable and do we reduce. But we have to come up with new ways to engage and new ways to work with them.

You know, as we look to Europe, you know, one of the successes we've had is based on the relationships we've had and the forward presence we've had there, we've been able to develop our NATO partners to work with us now in Afghanistan, and as they did in Iraq and as they did in Libya.

And that's because of the forward presence and continued work that we've done together for so many years. So that's -- that's very critical. And we might have to come up with some unique ways to do those things in the future in some areas, but there are other areas where we just simply will not be able to do that and will not even consider increasing presence in some areas, and that's going to be based on where we believe our best -- our interests are.

And I think those are the discussions that we have to have as we move forward.

SMITH:

Thank you.

AMOS:

Chairman, I mean, excuse me, Congressman Smith, one last thought about this. In a purely altruistic perspective, there is an awful lot of economics with regards to foreign presence. When you take a look and especially in the Pacific area, the southwest Pacific area, you take a look at the choke points that are there and the maritime commerce, as I said in my opening statement, 95 percent of the world's commerce travels by seas and oceans, and they travel through those seven choke points.

If you just take a look at the Gulf of Aden, take a look at the eastern side off the coast of Africa, all the way out in clearly blue water, with the piracy, imagine that happening to a large degree down in the southwest Pacific and start thinking about oil and commerce.

So very selfishly, the commerce and the economics would want us -- would seem to compel us to want to have forward presence.

A year ago, I'm reminded -- it was in November when -- when things began to get pretty exciting in Korea. As I look back on that now, I don't -- personally, I wasn't sure how that was going to turn out. I wasn't sure that things were not going to escalate to a point we might find ourselves back in Korea with a significant footprint.

Our ability to have forward presence there in Korea and Japan ensure our allies, assure Japan that we've had that alliance for 70 years is pretty significant. They do pay, to your point -- our allies over there pay a pretty hefty price of their own monies to forward- base and -stage our U.S. forces there. So it's not -- it's not completely without cost on them.

So it's I think economics and forward presence are important, sir.

SMITH:

Well, one thing is absolutely clear. We're not -- we're not going to have more economic opportunity in this country if we have less influence in the world. It doesn't work that way.

Thank you, Mr. Chairman. I yield back.

MCKEON:

Thank you.

Mr. Bartlett?

BARTLETT:

Thank you.

My first question will be for the record because there will not be time for an adequate response here.

Many of us remember (inaudible) 1950, a 540-man battalion-size task force of the 25th Infantry Division under Lieutenant Colonel Charles Smith was rushed to Korea on transport planes and moved north to block the enemy advance. Earlier (inaudible) July 5, 1950, task force (inaudible) took up positions a mile long just north of Osan.

The North Korean advance was equipped with T-34 tanks. Fire from two American 75-millimeter recoil-less rifles did not damage the advancing T-34s. No anti-tank mines had been brought along and anti- ship guns, a vital part of World War II armies, were no longer used.

As the enemy tanks continued, the Americans opened up with 236- inch bazookas. Second Lieutenant Arleigh Connors (ph) fired 22 236- inch bazooka rounds at the North Korean T-34 tanks, all from close range with little or no apparent damage. (inaudible) had inflicted 127 casualties. They suffered 181 casualties, and when (inaudible) gathered, it was (inaudible) largely ineffective.

The Battle of Osan is a low point in American history. It symbolizes the price and blood our troops pay for ill-preparedness and inadequate equipment.

Another part of this story is that at the end of World War II, a 3.5 inch bazooka had been developed, but the program was terminated as part of the defense reductions following World War II.

It is clear that if we continue to fight these discretionary wars, at a time and place chosen, provoked by an enemy, with weapons of his choosing, that any cuts in the military are going to put us in a position that we're going to be repeating the Army's experience at Osan or the Marines' experience at Chosin Reservoir.

But the reality is that we borrow 42 cents of every dollar we spend. If we spent nothing in our discretionary programs, if we had no government at all, we'd still have a several hundred billion dollar deficit. (inaudible) also is that if further cuts in defense are not on the table and you do not have cuts in mandatory spending, you have to cut all of the other discretionary programs 50 percent to balance the budget. And balance we must or we face bankruptcy as a country.

Assume that the supercommittee is going to default and the sequester is going to be triggered, what can you do with the military that remains in your service? What kind of missions can you perform? This is enormously important and informing -- a study -- a national strategy study that we must conduct to determine how we're going to use our military in the future. Would you please include that for the record because we don't have time here.

(inaudible), you were quoted on the F-35 competitive engine issue as saying, quote, "If Rolls and G.E. are so confident that their product will succeed and bring value to the taxpayer, it would be nice if they put a little more against the \$1.9 billion bill they'd like the taxpayers to undertake," unquote.

This is exactly what the competitive engine contractors proposed to do. But instead of taking advantage of this opportunity, as evidenced by the original DOD F-35 acquisition strategy that supported competitive engine development -- by the way, there never was a competition and the other engine won. It just didn't happen.

Instead, the Pentagon supports a sole-source, what is in effect a \$110 billion earmark because there is no competition, for the next 40 years for the single engine F-35 aircraft that is currently projected to comprise over 90 percent of the fighter planes in all of our services and a major (inaudible) fighter planes for all of our allies.

The original development for the primary engine was to have been completed in fiscal year 2010, last year. Now, it's projected for completion in fiscal year 2015. The F-35 primary engine has been in development for 10 years, with another four years to go.

The Government Accountability Office in an F-35 engine study indicated there's an opportunity for significant savings in the F-35 engine program through competition and non-financial benefits, including contractor technical innovation and responsiveness.

(inaudible) former Secretary of Defense Bill Perry said in his acquisition study that competition through dual-source procurement competition is, and I quote, "the only way to control program costs," unquote.

Were you quoted accurately regarding contractor funding? If so, why do you now believe contractor sole-funding for the competitive engine, particularly in this budget environment, isn't such a good idea?

You'll have to give most of this for the record because I'm sorry our time has run out. Will you please tell us via the record -- for the record why this is not a good idea now?

ODIERNO (?):

I'd be happy to, but briefly, sir, my comments were made prior to \$400-plus billion. There simply is no money for competition at this point in time.

BARTLETT:

(inaudible) would decrease the funding needed; that competition would reduce the costs. They continue to contend that, sir.

ODIERNO (?):

I -- based on the information I've seen, sir, it would require development of two engines, with the test programs and all that's associated with that. There simply is no free money available to pursue a second development program.

BARTLETT:

But again I say, sir, that the GAO says that it will save money. It will not cost money.

Thank you.

ODIERNO (?):

(inaudible)

MCKEON:

Ms. Sanchez?

SANCHEZ:

Thank you, Mr. Chairman.

SANCHEZ:

I'd like to begin by thanking you gentlemen for being before us again today and for trying to take a stab in letting us know what the world would look like from a military perspective if we went into sequestration.

I think the \$465 billion, and I've said this before and I'll say it again, Mr. Chairman, is a lot to put on the table. So I know we're trying to work through that. You're trying to work through that and figure out how we do that.

So I'm not really excited about the supercommittee touching too much more in Defense. And I'm not really excited about them not getting their job done and going into a default position, if you will.

And I think there's a lot of things not many of you, although I know that cost is a cross for all of you, cited some of the issues that are really looming in front of us. For example, cybersecurity, where we're truly -- we're really somewhat in the dark right now in trying to figure out how we're going to attack that problem. I think that's going to take a lot more money than we think.

I'm also looking at the fact that when we talk about Defense cuts in this process, we're not just talking about the Department of Defense, but we're talking about intelligence, we're talking about Homeland Security, we're talking about veterans. And when I look at the fact that we really in a lot of ways haven't addressed our returning soldiers and airmen, seamen, et cetera, Marines, who have been out there.

And many of them who are going to need additional help, especially after all those deployments and the types of hits that our people have taken physically in Iraq and Afghanistan. There's a big underfunded issue in veterans and health care for those returning people.

So I'm really concerned, you know, I work with Mr. Turner on missile defense and our nuclear arsenal and there are a lot of issues there. We're going to have to plus-up them in the next few years in order to get it, especially if our testing goes well, to get back on track with missile defense, for example. So I see there's a lot of places that need money in the future, and so I'm not really thrilled about going into more cuts than the \$465 billion.

But there is a majority at least in the House who do not want to put revenues -- new revenues -- on the table to pay for this. And if that's the case, I have a feeling that if this supercommittee comes up with some solution they're going to present to the rest of us, we're going to see cuts in defense. So my question to you is where would you cut? I'm not talking about another trillion dollars of cuts, but where would you cut? I mean, where after the 465 that you're looking after, in each of your areas, where would you suggest we point to if there's some money that has to be put on the table to the supercommittee, where would you cut?

SCHWARTZ:

Ma'am, for us the prime imperative is whatever size we end up we want to be a superb Air Force. So that means readiness needs to be protected. And given that, the only two other areas where you can make reductions are in force structure, the size, the number of squadrons, the number of assets, and in modernization, that which -- on which -- our future depends.

SANCHEZ:

On force structures, I recall you've actually been decreasing in the Air Force.

SCHWARTZ:

We have. And we were able to make the 450-plus target, but the reality is, is that further reductions will drive us to lower levels of force structure and modernization.

SANCHEZ:

Commandant?

AMOS:

Congresswoman...

SANCHEZ:

Now, you got plussed-up 20,000 or was it 40,000 Marines in these two wars?

AMOS:

In 2006, we went up from 176,000 to 202,000 and we're planning on drawing down right now. We did a force structure review I believe you're aware of.

SANCHEZ:

So when you draw down, are those troops by definition going to actually -- the force structure's actually going to shrink?

AMOS:

Yes, ma'am. It certainly is. And the plan was to shrink to about 15,000 below that level, down to 186,000.

SANCHEZ:

And that's under the \$465 billion we're looking at?

AMOS:

No, that actually was below that. With the added costs now, there's a very good chance we'll end up below 186,000. And if we end up with more in the form of the sequestration, or the supercommittee adds more bills to the Department of Defense, we're going to continue to go down.

So I would echo what General Schwartz said. You know, collectively we've all agreed that whatever force we end up with has to be the most capable and combat ready force for our nation. It will be a smaller force. The ramifications are that are some of what we've talked about, less engagement, less presence, quicker turn-around time in force. You will reach a point where capabilities, you've got capacity of the force, which is numbers of units, squadrons, ships, they will come down. But eventually we will start seeing capabilities leave the military.

So I think that's some of the danger. But for us, it will be dial the force down, and then reduce the modernization and the procurement accordingly. But at the end of the day, we have to end up with a Marine Corps that you can call upon and be confident that we'll be able to accomplish this mission.

MCKEON:
Thank you.

Mr. Thornberry?

SANCHEZ:
Mr. Chairman, if I could just add to the record General Odierno's and the admiral's comments on that I would appreciate it.

Thank you.

THORNBERRY:
Thank you all for being here.

The Chairman outlined what's already been reduced from the Defense budget this year. Most members of Congress, most Americans, don't realize that. But you all have said that you can handle that much. That it's OK. Most of us I think agree that another \$600 billion in sequestration is not OK. That is unacceptable.

But I think the greater danger is that some of our colleagues will say, well, if 465 is OK, why not 466? Or another 50, or another \$100 billion out of Defense. And after all, it's not the \$600 billion, but it's just a little bit more and if 465 is OK, why isn't that OK?

And I would appreciate y'all's answer to that argument, because I think that is the greater likelihood of what we face.

ODIERNO:
First, Congressman, I would say 465 is not OK, it's something that we can manage. But it comes at risk. It does not come without risk. In the Army's case, we've been asked to reduce to 520, but that's even before the \$465 billion cut. And so, we're going to have to significantly reduce the Army smaller to meet the \$465 billion cut.

If it goes further, we won't -- we will have to decrease the size of the Army more and we will now have to start significantly decreasing the National Guard and the Reserve component along with it. So it will have dynamic and dramatic impacts on our ability to respond, whether it be not only abroad, but in support of civil authorities, in support of natural disasters and other things. So this -- once you get beyond \$465 billion, we've taken all the efficiencies we can take.

We have taken out structure, we've reduced modernization,. And in my mind in some cases, lower than we really needed to reduce modernization already. If we go beyond that we know it becomes critical. And it becomes the fact that we will no longer modernize, we will no longer be able to respond to a variety of threats. We'll have to get to a size that is small enough where I believe, as I said earlier, we might lose our credibility in terms of our ability to deter. And that's the difference.

So it's not OK at \$465 billion, it's something we've been able to work ourselves through with risk, but everything beyond that becomes even higher risk.

Thank you, sir.

GREENERT:

Sir, that little chartlet that I gave you, if you look at the numbers here that's today. So if we go to the -- as we kind of said, OK, and I agree with General Odierno, it's not OK -- with a new strategic approach that says this is what I want your Navy to do, my Navy to do in the future, then perhaps it's manageable. But that's less ships than you see on this little chartlet. If you go beyond that, we're probably talking about reducing force structure for the reasons my colleague described. We have to be a whole force able to meet what you ask us to do today. We have to have our sailors organized, trained and equipped to do that job, and motivated.

The industrial base is fragile, as we've described before. So what area of the world do we not want to be in, and where must we be? And we've described the Asia-Pacific and the Arabian Gulf is there. And the risk to not be in those other areas, or if there, very episodically, is the risk we've got to understand, in my view, to go forward.

Thank you.

SCHWARTZ:

Sir, I give you one example. Weapons systems support is vitally important to maintain the readiness of our platforms. It's spares, it's depot maintenance, it's flight line activity. And we are below 80 percent on the required funding for weapons systems support. That is an example of the risk we are taking. Incremental cuts that you talked about above that level will come out of accounts like weapons systems support.

We have got to have an Air Force and armed forces that our youngsters, who are the most battle-hardened ever, want -- are proud to be a part of. And being good is a vital part of that. I see further incremental cuts, just marginal, as you suggested, as affecting those accounts that are not major programs, but rather, would reduce our readiness and therefore would be unacceptable.

AMOS:

Congressman, another example might be helpful.

When we designed -- as a result of Secretary Gates's direction last fall, when we designed the Marine Corps to come down from 202,000 down to some number, he told the Marine Corps I want you to take risk in the high-end missions. That means major contingency operations, major combat. And so, we did.

We built a Marine Corps using the lessons of 10 years of war, incorporated that in there, and came up with a Marine Corps of 24 infantry battalions, 186,800 Marines. That is a -- that was a one major contingency operation force. And what that means is if without naming an operational plan, if we go to war, the Marines are going to go and they're going to come home when it's over.

There'll be no rotational forces, there'll be no dwell, there'll be no such thing as dwell. It will just go on and come home when it's over. So when we went to 465 and dropped another 5,000 Marines effectively -- we're still in the process of working through that right now -- we dropped the numbers of battalions below that. So we are at risk right now for being able to take your Marine Corps and deploy it to a major contingency operation to do what our nation expects us to do. So you go beyond that \$1 billion, \$2 billion, \$5 billion, it's going to come down in force structure and it'll be capabilities and the ability to respond.

MCKEON:

Thank you.

Mr. Courtney?

COURTNEY:

Thank you, Mr. Chairman, and thank you to the witnesses who, again, are reinforcing the message we heard from Secretary Panetta a few weeks ago. And one thing that we're hearing sort of a lot of discussion and reports back where we (ph) actually haven't really seen it is that there's a strategic review that's sort of concurrent with the -- trying to absorb this \$460 million -- \$460 billion -- reduction.

And I just wondered, first of all, if somebody can sort of share with us where you think that strategic review is. Are we going to see that publicly at some point? And why don't I just leave it at that and see if anyone can comment.

(UNKNOWN)

It's being vetted at -- throughout the department and the executive branch. And -- and I think that it is likely that we'll have that product available by the end of the year.

COURTNEY:

And in terms of just, you know, programs that you're already sort of grappling with right now, and General Schwartz, you know, one of them is the C-27, which I asked General Breedlove about last week at a Readiness Committee that Mr. Forbes held. I mean, there's -- there's been a delay in terms of an August sort of milestone that was supposed to go forward.

And I guess what I think a lot of people are trying to understand is that decision tied to this strategic review/\$465 billion, again, reduction that you're all trying to figure out?

SCHWARTZ:

That decision's not final, but if it turns out that way it certainly would be tied to the -- the resource prioritization that -- that is occurring and trying to tie to the strategy.

Let me just say at the outset, sir, that this -- if that occurs, it will be extremely painful for me personally. I made a commitment to George Casey that I would not -- I would not make -- I would not do this deal with him and then back out. That was two years ago. And so I've got personal skin in this game. And if it turns out that way, it will be very painful.

But the logic on this is -- is simply the reductions that we are looking at require us to take fleets of assets. Not a few here and a few there, but to bring out all the infrastructure and the logistics and all that that is related to fleets of aircraft. That is -- that is the only way for us to do what we have to do.

But I -- we have purchased 21 C-27s. There are 17 more to -- to go. What the department will do will be clear here in a couple of months ultimately. But -- but I'm going to assure you, and I've assured Ray Odierno, that the United States Air Force will support our Army or die trying.

COURTNEY:

And I totally believe every word you're saying. I just -- what I'm still trying to understand is that this -- is this stress that you're living with right now, I mean, is that being driven by the \$465 billion reduction or is it just sort of the -- the uncertainty about what's going to happen next?

(UNKNOWN)

It's the former more than the latter.

COURTNEY:

Thank you. And that's helpful just to sort of get that clear. Admiral, welcome to the committee. And just wanted to ask you in terms of that strategic review that's ongoing right now, there's some press reports that Asia and the Pacific is really kind of where the whole sort of, you know, organization is going to be sort of shifting its focus to.

And I was just wondering if you have any comment in terms of whether or not that's what you see the Navy's sort of priority or just focus, you know, looking out at the strategic change or review that's going on right now.

GREENERT:

Yes, Mr. Courtney, you'd have it right. That is the focus, is Asia-Pacific one, Arabian Gulf two. I think the secretary testified to that recently. If you look at the little chart I gave you, you can see that's where we are today. Four of the six defense treaties that our country is signed up to are in there.

That's the emerging economic countries and the economy. That's where the, you know, the sea lines of communications are at their highest. And there's an emerging China and other issues out there as well, from counterterrorism to obviously to North Korea. So yes sir, I think you have it right.

COURTNEY:

Great. Thank you. And lastly, you referred to the Libyan operations in your testimony. Just want to sort of finish the thought there that those three submarines are all going to be off-line in about 10 years. And that's why we've got to keep this build rate that, again, we've worked so hard to -- to achieve this year.

GREENERT:

Yes, sir. Good point.

COURTNEY:

I yield back.

MCKEON:

Thank you. Mr. Forbes?

FORBES:

Thank you, Mr. Chairman. General Schwartz just commented that he'd make a commitment that the Air Force would be there to support the Army or die trying. And I know the patriotism of all four of you gentlemen and the men and women who serve under you.

And it's a fact that if the president asked any of you to perform a mission you would either perform that mission or you would die trying. And that's been your history. And we hear a lot of different opinions about the impact of these cuts, whether it's \$465 billion, \$500 billion, whatever there is, or \$600 billion more.

Do you gentlemen have any historical background that you can offer this committee where we've made similar types of cuts and the impact it has had to the lives of the men and women who serve in the services that you represent?

And do you know of any time when we've tried to make those kinds of cuts when the security situation in the world was as unsettled as it is today? And any of you who'd like to take a stab at that, I'd just love to hear your thoughts.

GREENERT:

Mr. Forbes, I'll take a stab, if you don't mind. I remember a little anecdote. I went to my first submarine. I'm a lieutenant junior grade in 02. I go aboard the submarine. We're about to get underway for a Western-Pacific deployment. It's in the -- it's 1979. We get on board and look at the ball caps (ph) and there are people from several ships in the squadron -- submarines in the squadron. We couldn't man up.

We had at the sonar display there mess cooks who were being told, "Just when you see this, let me know." We had, as you looked at the parts around the ship, valves of different color because they came from another ship because we were cannibalizing them. And we got underway two days later, which was not necessarily unusual in that regard. And this is for a major deployment. My point, sir, is it's the people. We did not get that right. By the way, there was thing called drug exempt we used to have where we had a drug problem then -- a serious drug problem. And it was OK if you came forward and said, "I use drugs," and therefore we'd say, "OK, you're exempt," and they left. You could get out of the, in this case, the submarine force.

So we can't go back there, sir. And that's -- that's a focus of the people. They make all the difference. We must build, in my view, around that as we take this one.

FORBES:

Thanks, Admiral.

ODIERNO:

Congressman, if I could, I would just echo those comments, in the '70s post-Vietnam and the issues we had with discipline standards and lack of direction for the Army, lack of modernization, lack of standards.

But I'd also point out in the -- in the '90s following the fall of the Berlin Wall where we believed that we would not have any significant amount of operations following that. And we -- we cut the Army by a significant amount of individuals at that time, reduced our modernization programs significantly. And we found ourselves actually engaged in more amount of operations during the '90s than any other time.

And I think that brings to what Secretary Panetta has talked about and Secretary Gates as well is our inability to predict the future. And so it's about us being able to develop a strategy focused on Asia-Pacific, also done (ph) in the Middle East as a second (inaudible), but also our ability to respond to unforeseen contingencies.

And that gets specifically to readiness and the mistakes we've made in the past as we've allowed our readiness to slip and -- and then reduce our ability to forward deploy, reduce the ability of our soldiers, which always costs lives in the end when we do this.

It also -- the way we ramped down our Army in the '90s left huge holes in our leadership, both at the non-commission officer and officer levels, because of the way we went about reducing our forces. So it's critical that as we go through this we deal out to do this right.

And that means it has to be constant over time with a consistent ramp that allows us to maintain the capabilities of our leaders, both in our non-commission officers and our officers, as we go through this process. Because that ultimately will allow us to sustain our readiness and also allow us to expand, if we have to, more quickly, which might be required if we have an unforeseen contingency, sir.

SCHWARTZ (?):

Sir, I would only ask you to recall the American hostage rescue attempt in Iran. That is the classic example of what can happen, both the tragedy and the embarrassment of that event, if we don't do this right.

AMOS (?):

Congressman, we've talked post-Vietnam in the '70s. That was a different international landscape than we have today. We all share the same -- interesting, in those days we didn't classify it because we were lieutenants. We didn't understand what a hollow force was when we were taking outer wing panels off an F-4 and putting them on another airplane so they could fly. I mean, the significance of that hollow force as I look back on it now was -- was -- I look back and it's embarrassing. But the international landscape in the '70s and early '80s was different than

it is now. This is a very dangerous next two decades we're in. I think that's the significant difference.

FORBES:

And gentlemen, we -- none of us would pretend to have your heroism, but let me assure you one thing. We won't go quietly in the night in trying to preserve and make sure that you're never going there again. Some of us have fought (ph) this \$465 billion. We may have lost that battle. We don't intend to lose this second one. So thank you for being here and your testimony. With that, Mr. Chairman, I yield back.

MCKEON:

Thank you.

Mr. Garamendi?

GARAMENDI:

Thank you, Mr. Chairman.

Gentlemen, thank you very much for your service and for your thoughtful attempt to answer our questions. As I've been listening to this, I'm hearing all of these (inaudible) in general why we cannot do any cuts or limited cuts, but I've not heard specifics. Surely in each of your organizations you are doing some very serious planning about what cuts really mean.

And it seems to me critically important for this committee, and certainly for me as an individual, to know precisely what you're planning at various levels of cuts.

We know we have \$450 billion, may go to over a trillion, what exactly does that mean? Not in general about hollowing out which may mean something that does nothing to inform me as to what a precise cut is.

Now to try to understand what cuts might mean, I've asked -- I've asked my staff to go out and find out what others are saying and we've gone to the far right think tanks and the far left think tanks and put together a matrix about cuts that they think are possible ranging up to a trillion and slightly over a trillion dollar, including a certain Senator who thinks you can a trillion dollars.

It's interesting the way they match up and I would -- I will share with you, gentlemen, that matrix and I would appreciate a specific response from you. Is it possible, and if so, what does it mean that gives me some information?

I appreciate the general tone of this hearing. I understand that we need to do a lot of things and one of the things that apparently is going to be done is some very serious cuts.

What exactly can be cut? For example, do we need 5,300 nuclear weapons? Do we need a triad? Does the -- does the Marine Corps really need a new expeditionary vehicle or can we get by without a Marine Corps vertical takeoff F-35 version? (Inaudible) serious, but those are the real things.

The generalities, yes, that's nice to hear, but we're getting very close to some specifics. What exactly is going to happen? This committee needs to know and I certainly need to know. I'll share the matrix with you. If any of you would like to respond with some specificity, I'd be very interested in hearing it.

(UNKNOWN)

Sir, I'm sure all of us would be happy to respond to that. The reality is that we all operate under certain limitations in the executive branch and that you -- you can be frustrated sir, but this is the way it is. It's not real until it's the president's budget.

Nonetheless, we certainly will do our best to -- to -- to respond. I can tell you that in my case, we're talking about hundreds of aircraft, we're talking about thousands of people.

GARAMENDI:

I -- I understand the generalities. Which aircraft? What people? What bases? What does that mean? And I understand that you've got to wait but as near as I can tell, this committee is looking at less than a month and a half where some decisions are going to be made by the United States Congress. And frankly, at this point, we don't have much information other than bad things will happen. So yes, it's time for some specifics. What exactly is going to be on the table here?

(UNKNOWN)

We will certainly share sir, your -- your...

GARAMENDI:

I know (inaudible)

(CROSSTALK)

GARAMENDI:

... leadership.

MCKEON:

Mr. Wilson?

WILSON:

Thank you, Mr. Chairman.

I'd like to thank each of you for being here today. I particularly appreciate your service, your leadership, we have the best military in the world, I know first hand, I have three sons currently serving in the Army, in the National Guard. I'm grateful I have a son who's in the Navy. I have a nephew in the Air Force and General Amos, my late father-in-law and late brother-in-law were very proud Marines. So I cover -- we're a joint service family. And I want to thank you for what -

- what you do in bringing to the attention of the American people the danger of the level of these cuts to the security of our country.

Last week, I had the privilege of being with General Odierno at the Italian-American Foundation dinner to honor military families. And -- and General, I want to thank you for your family's service, extraordinary service. You -- you truly exemplify what's best about our country and I -- I appreciate everything that you have done and particularly the briefings that I had when I visited with you in Baghdad, they were right on point.

Additionally, I want to point that in today's roll call, we have Secretary John McHugh, the Secretary of the Army who is a former member of this committee. He has written a very thoughtful op-ed. It really backs up what Secretary Panetta has said of the need for a strong national defense.

Now he concludes, and General, if you could comment on this, just as we did not predict Pearl Harbor or 9/11, we can't predict the future with any certainty. We can however, remember the lessons of history. No major conflict has ever been won without boots on the ground. And you being a military historian yourself, would you please comment on this?
(UNKNOWN)

Well I think, of course we -- we -- we think that strategy we portray, we must have the ability to protect power on the -- on the land. It's critical to what ever we do. And as we talk about the global commons, we talk about how we have access and be able to use the global commons. But ultimately, that's the global commons is used by others to influence populations either to improve their ways or dominate a population and ultimately what we need to do when that happens is we might be asked to solve that problem on land and we've proven that over time and time and time again. So we must be prepared to do that even though we only want to do that as a last resort. That's never something that we want to do, it's something we must do as a last resort.

So it's important that we have the capacity and capability and credibility to be able to do that and hope we have enough we're able to deter people from causing us to go and conduct significant land operations, but we must have the capacity and capability to deter and that should always be a significant part of any strategy that we have sir.

WILSON:

And I appreciate you raising that point, peace through strength, that's how we can avoid and reduce potential of conflict.

And, General Amos, you hit on this series of specifics and to me very important is people need to understand the American people that the addition of military forces and reduction of military forces, it has extraordinarily negative impact and it just can't be done overnight with the experience military forces, senior NCOs, junior officers. You've expressed is and I'd like to hear from your colleagues how -- when we talked (inaudible) this is really real world threatening our -
- our ability to respond and beginning with

General Odierno.

ODIERNO:

Sir, as I said previously, as you know we have the -- we have a hardened battle tested force, one that's known 10 years of combat, one where we have leaders that have grown up with nothing but combat capability and experience. And for us to move forward as an -- as an Army and as a joint force, we must be able to sustain these individuals who are -- who are capable and understand warfare, who understand the future, who can think (inaudible) what we might face in the future, what are the capabilities and capacities, we need?

We must remember that we've asked a lot of these individuals, many of them have been deployed three, four or five times and they -- they believe that what we have done is important and they believe we must sustain this capability over time.

My concern is if we start continuing to whittle away at our capacity and capabilities such an extent, they could get frustrated and if they get frustrated, they might decide to leave the force and then it would -- it would -- it would then cause us to have a significant hole in our force, which is our leadership and I'm a strong believer that leadership can solve almost any problem if it's the right type of leadership.

WILSON:

And -- and not to cut off anybody else, but this has direct effect on military families and we want the military families to be supportive of their loved ones who are serving.

Thank you.

MCKEON:

Thank you.

Mrs. Davis?

DAVIS:

Thank you, thank you very much Generals and Admirals for being here. Thank you for your leadership, particularly.

I want to follow up just on -- on a personnel question or two, probably no surprise to you. I'm wondering if (inaudible) really serious situation that we're looking at, we're obviously focusing more on short term sequestration and some of those -- those issues, but in the long term, could you help me out with a discussion of what (inaudible) in the personnel systems we should be looking at today. I mean is this the time to address the military retirement issues? We know that the defense business board has done that.

The other issue that I think is an (inaudible) is jointness (ph) in terms of health care. We know that certainly Walter Reed, Bethesda, while there are growing pains in that realignment, I think that you know we'll be seeing how well that works. We know also, San Antonio, Brook Army Center has done that.

Where are we in that issue and could we be thinking seriously about those reforms? Perhaps there are others that you'd like to suggest so that part of the -- the question that the super committee is looking at is not just tomorrow and -- and next year, it's 10 years out. Where are we on those reforms? How seriously are you looking at those?

SCHWARTZ:

Ma'am I -- I would just say at the outset that we can't look at one piece of the overall compensation package. It includes pay and benefits and so on. It includes medical care and it includes retirement.

And a concern that -- that I think we all share, certainly that I have is that we look at this piecemeal and we make choices on this or that without connecting the dots and that if we proceed with reform or change, and -- and certainly we need to address this to certainly have an intelligent discussion about it, we should not do this drip by drip. In other words, if we're going to do a -- an adjustment we should do it all in a comprehensive one time fashion so our -- our internal audience can -- can take this on and adjust and move on.

What we don't need is sort of incremental change in -- in this respect, briefly with regard to

DBB.

There were some aspects of what the -- the business board suggested that are -- that are interesting. But one thing they did not do and I know you believe this is there is nothing in that report about recruiting and retention and what this whole package is about is recruiting and retention and to -- and to make suggestions and then just blow off recruiting and retention just, you know, was not a solid approach.

ODIERNO:

If I could just add on reforms, I echo General Schwartz's comments.

I would just add to that that this is not something we can rush into. It's got to be something that is studied because of the second and third order effects that can have on our ability to sustain an all-volunteer force.

The impacts -- people sometimes tend to overlook and believe, you know -- (inaudible) the sacrifices that are made, not only by the soldiers, but the families themselves and what they have given up so their soldiers can -- and the Marines and sailors and airmen can perform their duties.

And all of this plays a role, as we look at benefits and pay and retirement. And I think we're taking a very quick, thin look at it right now. And it's got to be something that's much deeper, does a study (ph) and understands the overall impacts it would have on the individuals or families, and the future of our all-volunteer force across all the services.

GREENERT (?):

There's a -- if I may, ma'am, there's a piece that -- I completely agree with, with General Schwartz and General Odierno said. There's another piece at the conclusion of this there will be a reaction by the force.

We'll need to shape it. We'll need to recruit, as General Schwartz said. And where we can use help (inaudible) the authorities to do the right thing. In my view, that diversity is a big deal for the future. We -- the skills that are out there to make our force motivated and relevant is such that we need to open our aperture (ph) in diversity.

And that and the ability to shape the force correctly to be able to have a discussion with our people as to why we may need to shape it, maybe ask more in, maybe lay people off, frankly, depending on how things go, that we can do it properly and dignified.

DAVIS:
General (inaudible)?
(CROSSTALK)

MCKEE:
(Inaudible) Conaway.

CONAWAY:
(Inaudible) service. Now the two (inaudible) on the (inaudible) policy-makers and implementers. Obviously, you've got a real chasm between them in the sense of some of this stuff. Each one of you used the word strategic in trying to figure out how we go about squeezing the needs of the nation into a smaller pie, so to speak.

As policy-maker, it -- we would love to be able to have clearer information that says, all right. The nation has these risks, and if you don't want to protect the nation against this risk, then we can save money here and there.

There's a (inaudible) construct that you all operate under that has a variety of things that the nation says it ought to be able to do at any one particular point in time.

Should we -- should all of this encompass a review or a redo of that -- of that force (inaudible) construct that says we're only going to do X, and all these other things that we might think are going to be necessary that are out there, we're just simply not going to do those and help policy-makers understand that there are risks to doing some of the things that even now have been agreed upon, that you are trying to implement through your teams?

So can you give us some comments about, just, you know, what the overall backdrop of which you're trying to plan to do should we change that first before we squeeze you guys through these square pegs or putting you there (ph) ?
(UNKNOWN)

Congressman, I think, first off, it's about determining where our priorities are and what our strategies are. And I think we're talking about that now.

But, ultimately, it comes down to what -- ultimately what is the capacity in what we're able to do. And the (inaudible) construct will have to be looked at and will have to be changed because with the force (ph) reductions that we're looking at, the Air Force and Navy have taken some already,

the Army is going to take a significant amount of force reduction, we're going to have to look at the planning constructs that we have.

And we're going to have to be forthright and honest about what we can do and what we can't do, because there's going to be some things we no longer can do. And I think we've learned some things over the last 10 years of what we thought we could do and maybe we couldn't do them as it was now.

And as we get into these deeper cuts, we're going to have to define and explain through our force structure planning factors of what we're able to do and what we're not. And I think it absolutely has to be part of what we're doing.

GREENERT (?):

For me, Congressman, and for the Navy, it's where do you not think we need to be?

The -- and the little chart (inaudible) that's where we are today. It'll be less, and how much more -- where -- what geographic combatant commander we have to have a conversation with and get a lot more innovative to be -- to conduct this influence or decide where the force structure can deploy to, because we can't deploy quicker, if you will, and just turn around quicker. We're at limit right now.

(UNKNOWN)

Congressman, when there's an effort, as you're well aware of right now that's going on within the Department of Defense, and (inaudible) there's -- General Schwartz said, I think, fine (ph) -- it's (inaudible) to Congress.

That effort is informed by the future security environment, in other words, what those -- what are the next two decades portrayed (inaudible)? What does it tell us that the threats are that are out there? (Inaudible) that this morning in our testimony. And then based on that, then what do we need to do to mitigate that threat, those risks? Then how much can we afford?

Now it becomes informed by the budget. It gets informed by the fiscal realities. And so we're -- we are in that process right now. The national strategy is in work. It's a -- it's a process that we're all a part of. And I just wanted to give you confidence that this is being done the right way as we approach this.

So I -- we're just -- we're just not ready yet to be able to say then precisely what is it you're not going to be able to do. But, clearly, there will be some things that we will not be able to do, and that will have resource implications, both force structure procurement and operations maintenance.

CONAWAY:

I -- thank you.

I was out at the National Ground Intelligence Center (ph) yesterday afternoon -- or yesterday, and (inaudible) they're considering as a part of this -- the OCO funding going away and some of

the other things, is they were able to say here's the capacity and here's what it does, here's why I support it (ph), and then we'll go away (ph).

Very clear for -- as a policy-maker, say, well, that's a capacity that we really need. It's -- that was important (ph). So, obviously, it's easy to do that on a small scale like there, versus across the entire, you know, Department of Defense.

But I do think our nation needs to understand that with these cuts, even the force issue five (ph), there are risks we will face that hindsight and Monday morning quarterbacks, at some point in time, will say, shame on you for having done that.

Thank you, Chairman.

MCKEON:
Mr. Langevin?

LANGEVIN:
Thank you, Mr. Chairman.

Generals, Admiral, thank you very much for being here today, your testimony, your incredible service to our nation. We're all deeply in your debt.

Obviously, diplomacy information (ph), our military power, economic power, these are all very (ph) important to our national security. They're (inaudible) of what not just one. And that, obviously, makes the fiscal solvency of our nation a national security issue.

(Inaudible) our strategy needs just to pay the bills, obviously we have to make smarter decisions about where and how we spend our money and how we address current and future threats. And two areas that I've continuously focused on, the strategic defense of our nation and the nuclear arena, as well as in the area of cyber-security, (inaudible) the cyber-front, we face particular challenges there that we haven't quite gotten our arms around, what those challenges are and how do we best guard against that threat.

But in (inaudible) these areas, we face threats, obviously, from both peer (ph) competitors and asymmetric actors, which make them politically volatile and dangerous, and our investments in each of these areas are critically important. They're both threatened by the current budget situation.

So let me ask it this way: a nuclear deterrent, obviously, must remain credible, while we're simultaneously looking to components in our arsenal where we can save revenue, such as (inaudible) nuclear arms, and continue smarter investments, such as the replacement for the Ohio class submarine.

So in cyberspace, the (inaudible) has (inaudible) upgrades to both our defensive systems and our strategic thinking, but we still have a long way to go to keep pace with the challenges, engagements, our warfighters face every day in the digital realm.

So on these -- both these points, where can we be making more efficient investments in nuclear and cyber in order to soften any larger program impacts from constraining budgetary requirements?

SCHWARTZ (?):

Sir, I would say that cyber may be the only area -- it's only the one, two or three areas in the entire department portfolio that may grow by necessity, just as you outline, which means it will come from other places in the broader portfolio.

We have Cyber Command. Each of us have component commands and expertise that (inaudible) and operates potentially in a -- in a more offensive manner, that is maturing. And it certainly needs your continued support.

With respect to the nuclear area, sir, I would make a personal appeal, and that is that you -- that this committee needs to influence the thinking of another jurisdiction in energy and order (ph) with respect to in particular the renovation of the B-61 weapon.

The reality is, is that that weapon is the item that's paired with our bombers. And it needs to be updated. The life cycle improvement effort -- and that needs committee support, and likewise from energy and (inaudible) will perform that function.

LANGEVIN:

Thank you.

Admiral?

GREENERT:

I think -- I think General Schwartz had it right on cyber. I think we could look at the organizational construct that we're putting together. There may be efficiencies in that regard. But with regard to the criticality of the capability, there's no question. And it will probably grow. With regard to strategic nuclear, how many Ohio class replacements -- submarines we need can be studied.

What is the right number of force structure you need to deliver the effects that you need for the -- for the requirements, that is under deliberation as we speak. But the need to have credible, as you said, credible and reliable and one that actually provides deterrence, assure deterrence, is unmistakable. And the -- and that line has to be held.

LANGEVIN:

Thank you.

With that, I want to thank you all for your testimony, and I may have some questions for the record.

General Schwartz, if I could just mention a couple of months back I had the opportunity to travel out to Creech. You and I discussed that and was grateful at the incredible work that's being done out there. And maybe we can talk in a closed setting at some point. But some of my thoughts about that, that great experience when I'm out to visit our airmen out there and grateful for their service. And next week I'm traveling to Texas to visit 24th Air Force, so I hope get a close look at what's happening out there. But thank you all.

SCHWARTZ:

Yes, sir. I look forward to it, sir.

LANGEVIN:

I yield back, Mr. Chairman.

MCKEON:

Thank you.

The (inaudible) needs to leave at 12:30. I'm counting the number of members we have left. It should work out just about right.

Mr. Wittman?

WITTMAN:

Thank you, Mr. Chairman.

Gentlemen, thank you so much for your service to our nation.

And I want to begin by noting that everybody that serves in our armed forces are special. They're special because they volunteer, they put their lives on the line to defend this nation. But we also have a very elite force of airmen, Marines, soldiers and sailors that serve this country every day in some very, very challenging roles as we place them around the world in what we know continues to ever- expand in their mission.

I look at how we challenge them, and you look at what's happening in Afghanistan and we've used them in more and more roles there. And obviously, they're going to be there past 2014. We see a mission now in Central Africa. As we watch and we see the history of what's happened there, we see some trends that I think ought to concern us.

Just last month a 29-year-old sergeant first-class in the 75th Ranger regiment was killed on his 14th deployment in the last years. Fourteen times he boarded a plane knowing that he was going downrange in harm's way. In a situation where dwell times were short, time back home was short, and they continue to be placed in some of the most challenging conditions anywhere on the face of the Earth. And to their -- to their benefit, they serve this nation. Or, to our benefit they serve this nation. And they continue to make sure that they perform in a very admirable way under some very trying conditions.

My (inaudible) with budget cuts and looking at the challenge we have going forward with resources, how are we going to attract the quality men and women that we need across the armed forces in an all-volunteer force? And secondly, as we look to not only recruit the best, but to retain the best, how are we going to make sure that the mission capability stays where it needs to be for this nation to meet those challenges? Especially when there's questions about each of the service branches' budgets, what may be cut (inaudible) the future pay of our men and women in uniform, their future benefits? And also, their families' welfare.

I think all of those things are very, very concerning for me and I wanted to get your perspective on how do we meet those challenges? And I can tell you, I'm sure you all get the same questions that I get. I get questions on a daily basis from men and women that serve this nation and are concerned about that.

And in fact, we track the communications that come into our office. At the top of the list for the past month have been service members and their families questions about what happening with my pay and my benefits, and what are you going to do to support military families? So gentlemen, I'm going to turn it over to you and get you to give us your perspective on things.

ODIERNO:

Well, Congressman, first and foremost, as we go through this process of budget reductions, the first thing we think about are our soldiers and their families and the impacts it will have on them. And whatever programs that we develop into the future will ensure that we maintain programs that are good enough and frankly, allow them to want to continue to serve. And we are focused on this. We are absolutely focused on this.

And I think what we have to do as we look at this is it's about the profession of arms, it's about leader development, it's about people understanding the importance of what we do while we do it. And it's about fair and balanced benefits and pay, retirement, medical care, that they can be assured that they will be taken care of and their families be care of, based on what we ask them to do.

And I know I'm being somewhat general here, but I want to tell you that we are absolutely focused like a laser on this in the leadership, because it's so important to our men and women. And it's fundamental to the all-volunteer Army and the all-volunteer force and if we miss this it will do irreparable damage to our capabilities. And so, I probably didn't answer you specifically, but I'm telling you is that we look at this very carefully every day, sir.

GREENERT:

We have a term in the Navy in budgeting called "fencing." Fence the program. We're effectively fencing family readiness programs, because you know, whatever mission may be reduced, capacity is reduced. The problem's not reduced, that we need to, as you mentioned before, the kids are tired and they come home and their families are tired, too, because that's who supports them. So that has to be done right up front.

I think we need to hold the covenant -- General Odierno kind of I called retain the covenant we have to them. They joined for a reason. There was a, again, a contract that we had, and we need to own up to that contract that those -- they joined.

Thank you.

SCHWARTZ:

Sir, I would just say that as an example, like the Navy, we have said we're not going to cut school liaison, we're not going to cut exceptional family member programs or child care. And we'll take -- we'll go other places, because we understand that that more than ever that service in any of the armed services is a team sport.

AMOS:

Congressman, you coined the term breaking faith of keeping faith, which is the opposite of breaking faith. You know, we've talked of pay compensations here this morning and we didn't really get to the at what point is there a need in the curve where pay and compensations begin to have an effect on the all-volunteer force.

You go back to what Secretary Panetta began his tenure with, and he just -he's got several principles. But one of them, one of the key ones he always goes back to it every time he talks publicly is keeping faith. Now, that can mean a lot of different things to folks. But for us in the Marine Corps it means the institution, the people, the Marines, the families that are out there in Twenty-nine Palms, Pendleton, Camp Lejeune, Buford, look at us as an institution of leadership.

Those that are wearing this uniform, and then those that are across the Potomac here in Congress.

That we have their best interests at heart. That even though they understand there will probably be some adjustments in pay and allowances and that type of thing, but we have their best interests and we are not breaking faith with them. That's pretty nebulous, but that's a sense. And the minute we lose that, then we will have a difficult time retaining them, we will have a difficult time bringing people back in, in the first place. It's a sense of faithfulness.

There's another side of this which is interesting, which concerns me. There is also a sense of fulfillment in the young man or woman that joins the Marine Corps today, and you're aware of that. They are actually getting to do precisely what we advertise when we recruit them. There is a fulfillment. There is -- they may be on their fourth or fifth deployment, and I'm not -- I'm absolutely not saying that that's easy, or we should just continue to do this for the sake of recruitment. But there is a sense of feeling good about what they're doing for our nation. So I, you know, as I look at the draw down, I look at coming out of Afghanistan, within this institution one of the things we're going to have to look at is how do we address that sense of need, that sense of fulfillment, that sense of doing something that's important for our nation?

Now, I remember the inter-war years, the '70s to '80s, '80s to '90s when it was pretty bleak. You know, we were trying to seek our own significance, so that's going to have an effect on the retention. And that's one of the challenges we're going to have to look at. But I think the programs, all the things we've talked about here, there's a sense that we will need that. It's not

that we're buying people off, that's not it. But that we are going to satisfy their needs and keep their arms -- our arms around them, and they're going to know that we're keeping faith with them.

MCKEON:

Thank you, Mr. Wittman.

And we proceed to Mr. Andrews of New Jersey.

ANDREWS:

Thank you, Mr. Chairman.

I'd like to thank each of you gentlemen for what you've done for our country. We appreciate it very, very much.

I'm hearing two points of consensus in the hearing today and I think that we could rather easily achieve a third one and avoid the sequestration. The first point of consensus is that a great country can't live on borrowed money forever. You can't a strong and growing economy by having a huge deficit and debt.

The second point of consensus is that the sequestration -- and I agree with this -- is ill thought out, maybe not so much because of the number. We can argue about numbers. But because it's backwards. You shouldn't make decisions about defending your country by saying here's the number we're going to hit, now let's figure out what to do. You ought to make the decisions by saying what do we need to do for our country, and then how much -- what number do we have to come up with to make that happen.

This is not meant for the panel but meant for my colleagues. I think we could have a third point of consensus pretty quickly here. That we could have a \$4 trillion deficit reduction plan that's three-quarters spending cuts -- probably the military spending cuts would not go beyond what's already in the August 1st law -- if we had about \$1 billion -- \$1 trillion, rather -- in revenue from the top five percent of people in the country. That's not for these gentlemen to debate, but it is for us to debate. We could have a deal. We ought to get one.

Now, on to the issue of what the sequestration would mean, and my point about let's not back into a decision on this. I think I heard several of you say that there is a strategic review -- force review -- underway, and that will be shared with the committee when it's complete. Did I hear that correctly? Great. And do we have some sense of when that would be available for us to look at?

ODIERNO:

As I suggested earlier, I think at the end of the year, or toward the end of the year.

ANDREWS:

The end of the calendar year?

ODIERNO:

Yes, sir.

ANDREWS:

Thank you.

Now, let me ask another question that is not rhetorical. Honestly, it's sincere. If you exclude the overseas contingency operations and look only at the remaining core defense budget, and you compare what we're spending in 2011 versus what we spent in 2001, in real dollars, in inflation-adjusted dollars, the core defense budget is 40 percent higher than it was in 2001.

Our end-strength is essentially the same. The number of ships and planes we have is essentially the same. And about a quarter of that increase has been absorbed by greater compensation for our men and women in uniform. I'm for that. Absolutely I'm for that.

Where did the other 75 percent of that go? In other words, we've increased the core defense budget by about 30 percent over what it was in 2001 in real dollars excluding the Iraq and Afghanistan and excluding personnel increases and housing increases, education increases. Where is that 30 percent? Where's the money?

GREENERT (?):

Where one place where the money is, is we had \$35 a barrel oil in 2001 and it's now \$135 a barrel.

ANDREWS:

Yup, yup. That's absolutely right and -- and I know our fuel costs are high and they'd be a lot lower if we had independent energy sources, I agree with you. Yes.

GREENERT (?):

For our ship building and ship repair in some cases, the labor costs exceed the cost that we use for indices for inflation and materials have also exceeded those indices that we use for -- for -- when we procure.

ANDREWS:

Do you know the order of magnitude of that -- that excess?

GREENERT (?):

I -- I'll follow up on that.

(CROSSTALK)

ANDREWS:

That's a good idea.

GREENERT (?):

It -- if it actually marks what you'll -- some note as a difference, a noted difference in our cost for future shipbuilding. We under estimate because we use indices that are ...

(CROSSTALK)

ANDREWS:

One issue that concerns me and is of a similar mind is if you look at our RDT&E we had explosions in RDT&E accounts before we ever get to a fieldable weapon. I'll just pick on one as an example, SBIRS right? SIBRS when it was originally looked at was going to be a billion dollars a copy. It's now going to be \$4 billion or so a copy and it's all been in the RDT&E. Do you have any suggestions how we might get a better grip on the RDT&E phase?

(UNKNOWN)

If I could. A couple of things that we need to do. I think as -- as we go through the process of procurement we have to look at competition and how we increase competition, increase contractors and private industries use of their R&D to help us solve our problems. I think we're starting to figure that out.

I'm pleased in some of the areas we're able to do it, yet I think it might be time to look at, are we doing -- are we doing redundant and overlapping testing? Do we need to take a review of our testing requirements? And in fact some of our tests are done by the private industry and yet we redo the tests because we have to meet certain regulations and requirements. So I think those are areas that we could look at to reduce those costs significantly.

ANDREWS:

Thank you. I see my time has expired, thank you again gentleman for your exemplary service.

MCKEON:

Thank you Mr. Andrews. We proceed to Mr. Duncan (sic) of California.

HUNTER:

Thank you Mr. Chairman. Gentleman, thank you all for your service and all the time you've spent and your families have spent.

(CROSSTALK)

HUNTER:

General Amos I was just over at the Marine Corps birthday and the Library of Congress and General Dunford did a great job filling in for you and he gave a great speech over there. We'll have to talk about the families. I think my family when I was in Fallujah was at the Del Mar Beach at -- at Camp Pendleton. I don't think it was too tough for them, but that's the upside to being a Marine and being able to get stationed on the West Coast.

Playing into Mr. Andrews' question, I'd like to mention a couple of things. Where's the money? There's a lot of examples. He listed one. One is DCGS, Distributive Common Ground System. The Marine Corps is using Palantir. Giato (ph) is using Palantir right now. The CIA, the FBI, the DOJ, a lot of other organizations are using an Intel Software Tool called Palantir because it's cheap. It comes out of a private company called PayPal.

A lot of us in this room have used PayPal. But the Army insists going forward spending billions of dollars on DCGS and is saying that the big cloud is going to work at some point. It'll be like everybody else at some point in time. DCGS (inaudible) came into my office, the Army did last week or two weeks ago and said, here's what we've got. We're going to have it soon. The problem is that they never really get there.

And when you come with an off the shelf product that at the most to field it for the entire Army would be about \$25 million, DCGS outputs (ph) are going to be \$2 billion or \$3 billion out and does not have the capability as -- as Palantir. You -- you have examples like that, that I think any of us could find. The LCS, the Navy owns a ship right now in San Diego called the Stiletto. It's a carbon fiber hold ship. It uses air entrapment technology. It's able to go 60 knots. It is totally stealthed out.

The LCS is not stealthed out. The LCS is not an LCS. The LCS is a fast frigate. That's all it is. You -- you can't operate next to China, they would shoot it out of the water in a heartbeat. It's not a real LCS, it's a fast frigate. So the Navy still doesn't have an LCS, but they have two different models of a fast frigate that are going to be used for different purposes based on what type of modular technology you place on it.

It's still not stealthy. It's not as fast as a -- the Stiletto, which the Navy owns in San Diego. So my -- my -- my point is, it's time to prioritize. And I think one of the reasons we're here is because you -- your predecessors, they didn't mislead us, but they said, hey we're OK. We can do more with -- with less. We'll be fine.

We can get the job done, Congress. We can do what we need to do with what you've given us. The reality is, one of the reasons we're at this point is because we're not going to be able to -- to do the job. You're not going to be able to do the job that you're asked to do anymore with what you're given anymore, period. I mean we probably need to double or -- or triple the number of MEWS (ph) in the United States Marine Corps because of everything that's going on.

So we're -- we're going to need to be more expeditionary, not less but we -- we still seem bogged down in the old way -- ways of doing things where if it's not being made by Northrop Grumman, Lockheed Martin, Boeing or one of the big five, then we aren't going to do it, we're not going to look at it because it's not being done by one of those guys who has a lobbyist who was a former general who was a friend of somebody in DOD. That's how it works. That's the revolving door. So my question is I guess to everybody is, how do we move forward and -- and prioritize and get out of the same old ways of things that aren't the tried and true, that are tried and failed, which has kind of gotten us to where we are.

We keep spending money and like Mr. Andrews said, we aren't getting the bang for the buck anymore. The money is going somewhere and -- and it's not going into furthering current technology or discovering better technology, how are we going to avoid that? Because we are going to be doing more with less now. It's going to take some outside of the box thinking to do it.

ODIERNO (?):

Let me give you one example. Right now, and you're probably familiar with it is we now have developed -- started this week and its our second one, we'll have a third one is our network experiment that's going on down at Fort Bliss, Texas. We have a unit out there where contractors, anybody, any size contractor can come in, provide a product that they think will meet the requirements that we need for our networks in the future.

They can test it, they can try it out. It will be evaluated. Soldiers are actually using it. They will then provide them feedback. Its on their own dollar to bring that in there. And then after we do this we will then choose the best of breed across a variety of -- of small and large contractors of what might be the best system for us to use. And -- and as fast as our -- our -- our networks change now and the technology continues to move, it will allow us to continue to upgrade every few years.

And I think these are the kinds of things we have to do. Where we see more competitiveness, which drives better products, which drives cheaper products for us in the end-state. And I would invite you to come out and take a look at that if you have not already. I'm very encouraged by what's going on out there and it's those type of things that I think we have to do. As we look at the JLTV that we're developing along with the Marine Corps, we are now having -- where we have competitors come in who are developing their own products.

Four or five different competitors, not necessarily one of the large defense contractors. Who are coming up with systems and ways for us to look at and provide us options that I think will be much more fundamental and much more resource friendly to us as we look forward. So those are the kinds of things we're looking at now. And was we revamp and review how we want to do acquisition within the Army.

AMOS (?):

Congressman the -- there's actually a little bit of goodness that happens when you get pressurized fiscally. One of the things, and I know your aware of this, we have roughly 40,000 vehicles in the Marine Corps. That's tanks, seven-tons, LVSSs, our AVs, our MRAPs, Humvees. As we built that Marine Corps to come down to \$186,000, we aggregately took the total vehicles in the Marine Corps down to about 30,000.

Now of that, 23,000 or so are Humvees. As we look at JLTV with the Army, as we look at replacing the ground tactical vehicle strategy, we've got to go back and say, OK what's good enough? Or what is it that over the next 10 years will be good enough? And then how much modernization do you need? There's a piece in the slice that we need to replace utility vehicles with JLTV.

But do we need to replace all 20,000? The answer is, no. Do we need 20,000 in the first place of utility vehicles? And the answer is, no. So, we're doing that internally right now. We actually have the numbers and we have built an affordable plan on ground tactical vehicles that's built on what is in fact good enough. We tried to do the same thing, in fact we've done the same thing as we look at aviation, which is a high dollar -- high dollar cost. When you start taking a look at F-18s, Harriers, recapitalization of the H-46s or the V-22s, what is good enough? And then how long will this last?

So I mean that's the goodness that's coming out of this stuff. And there's an awful lot of that going on. The final point I'd say is that especially down in your district, you've seen the benefits of the energy efforts that the Marine Corps is doing at MCRD, at Miramar, with the -- with the methane plant, go to 29 pumps, go to Barstow. We are -- we are beginning to save -- we're -- significantly save a lot of money on energy.

We're going to do the same thing in -- in the expeditionary field. We've got Marines as you know from 3rd Battalion 5th Marines came back, they were our guinea pigs. They were the first prototype to carry this expeditionary energy -- renewable energy stuff into theater. We are on that -- we are on that big time. So that's another way we can save. So that's some of the goodness that comes out of -- out of pressurizing our budget.

MCKEON:

Thank you Mr. Duncan (sic).

HUNTER:

Thank you Mr. Chairman.

MCKEON:

A very important question and our remaining witnesses can respond for the record because this is such an important issue that Mr. Duncan (sic) has raised, we now proceed to Mr. Johnson of Georgia.

JOHNSON:

Thank you Mr. Chairman. General Odierno, following up on Mr. Hunter's question, the Army's DCGS-A Intelligent Program -- Intelligence Program is years behind schedule and less effective than private sector alternatives used by other services such as the Marine Corps. The Army is slated to spend billions on coming years trying to field this program despite it's consistent shortcomings.

Will you pledge to take a hard look at this program as a possible source of savings?

ODIERNO:

Congressman, first I'm looking at everyone of our modernization programs and procurement programs and procurement programs to see where we can get savings and I will certainly take an extremely hard look at this and I will actually provide you feedback to that look, both you and Mr. Hunter and we go -- go do this.

JOHNSON:

All right, thank you General.

Also, General, do you foresee that the Army could potentially find savings by reducing the footprint of our ground forces on the European continent where our allies are or should be capable of defending their own territory.

ODIERNO:

Congressman this would be part of the strategy we -- we -- review we do as we our prioritize where we decide to put forces and -- and based on that strategy, if it's determined that we can reduce our commitment, we'll work very carefully with our allies to take a look at that, sir.

JOHNSON:

Thank you.

Admiral Greenert, how can the Navy develop better partnerships with the Chinese Navy to establish a collaborative rather than adversarial relationship in maintaining international security? And is that a naive question or is it, I guess I should ask that first.

GREENERT:

It's not naive at all, Congressman. We need to find those areas of security that we have common ground and we're working on that. Counter piracy today, the Chinese contribute to the counter piracy effort in the Gulf of Aden. They're not a part of the coalition but there are, you know, the defined coalition, but there are many nations that are not part of the defined coalition. They come in, they check in, we -- we have liaison officers that swap their -- a relevant and -- and tangible part of that so there's that, there's counter smuggling, counter weapons of mass destruction on the seas, search and rescue.

So we -- we need to look for those areas which are of common interest, develop those, that will get us to (inaudible) relations. These things have a fits and starts part because we're, you know, we're part of the results of the political aspects of -- of the relationship of our nation and the diplomatic part of it.

But there are opportunities and we -- we must continue to develop them to eliminate miscalculation. That's probably the main concern we would have so we have a relationship.

JOHNSON:

Thank you.

General Amos, what would the Marine Corps F-35B fleet contribute in a major conflict that one of our carrier strike groups could not and is the F-35B program an essential program to our national security and is it on pace?

AMOS:

Congressman, I'll -- I'll start from the back and -- and -- and progress back to your first question.

It is on pace, in fact it's ahead of schedule right now. It's ahead of performance on tests, test plans, test flights, test points, the five engineering issues that they had a year ago at this time had been resolved through engineering redesigns, in some cases, they're already installed on the airplanes, in some cases, they'll -- the -- the change has been approved, it will be fitted on the airplane in the early part of next year, so engineering pieces have been fixed, the airplane just came back from the very successful at sea period for about two weeks, two 35Bs are on the USS Wasp off the coast of Virginia, flying all their short take off and vertical landings and the early reports on that and I went out to see it with the secretary of the Navy, that airplane performed fabulously.

What you get out of that airplane, for our nation, is the capability to have, instead of just 11 carriers out and about, doing our nation's bidding with fifth generation airplanes and all, you will have 22 because the F-35B will be flying off the smaller carrier versus what we call the large (inaudible) ship.

So much like what has been being operated in -- off the coast of Yemen and in the Gulf of Aden right now are the harriers and off the coast of Libya in the early days of that operation. Those were short takeoff and vertical landing airplanes.

Without that, our nation reduces its capability to interact around the world by 50 percent over...

JOHNSON:

OK and let me ask you this last question about those -- those trials on the USS Wasp. What was the effect of the F-35B's jet blast on the ship's surface and I apologize for interrupting you but my time is -- is running out and I wanted to get a quick answer to that.

AMOS:

It was negligible. The expectations were that it would be significant. It was shockingly negligible to the point where the reports and I was on board the ship, the reports back from the ship's crew and the NAV-C folks was that it was insignificant.

JOHNSON:

Very good, thank you.

MCKEON:

Thank you, Mr. Johnson.

We proceed to Dr. Fleming of Louisiana.

FLEMING:

Thank you, Mr. Chairman and thank you gentlemen for being here today, our panel patriotic and distinguished careers and we all appreciate the great work you're doing.

Let me say first of all that I -- I get what you're saying, \$465 billion in cuts that you're barely able to swallow and now we're talking about plusing that up to a full trillion dollars over 10 years and that takes us from a high risk level to a very dangerous level and certainly I get that -- that's

precisely why I voted against the Budget Control Act because I knew we would be here today talking about these problems.

My first question is for you, General Schwartz. We've talked a number of times in hearings and - and off-line, and I understand that there's a decision that's been made not to initially certify the new long range strike bomber for nuclear operations. And that air combat command, not global strike command which is newly stood up I think only a couple of years ago would be the lead major command on the program.

Can you please explain in detail the rationale behind these two decisions? Obviously I'm concerned about a de-emphasis on the nuclear role and again, let me kind of add in that with all these risks involved, that obviously makes this world a more dangerous place, but the one area where there's no tolerance for risk is in the area of nuclear weapons. So explain that and -- and give us an idea about that rationale, sir.

SCHWARTZ:

We certainly agree with that there's no tolerance for error in that business. There's two aspects to this, Congressman.

One is that -- that the airplane will be dual capable. It will be both nuclear capable and it will be a conventional long range strike platform as well.

The logic is to design and to build the airplane to perform the nuclear mission. This will not be backed in later, this will be done in the design and build process. But not to certify immediately and the -- the reason is that we are trying to control costs. Part of that is controlling how elaborate your test process is and we are going to phase this in a way that will initially introduce conventional capability, which -- which is easier to test, less costly to test and then as we get closer to the time when the B-52 and the B-2 begin to age out, we will well in advance of that certify the airplane for nuclear operations.

It again, it will have the internals and all that's required, we simply won't do the tests and certification which is quite elaborate and includes electromagnetic pulse and so on until a little bit later in the sequence and we think that's the prudent thing to do to bring in this platform on cost and on time.

With respect to who's in charge, I'm in charge. The secretary of the Air Force is in charge. The fact is air combat command is the lead command because they have the acquisition and -- and requirements capacity in their headquarters.

As you know, global strike is -- is still somewhat new and will acquire that capability over time. But the idea was to give this to the command that had the capacity right now and -- and we'll certainly think about when the time comes, you know who's -- who's the daddy rabbit for the platform.

FLEMING:

OK. Thank you General, and I might come back to you.

General Odierno, I have a question for you sir.

Is it true that certain requirements like the Army's longstanding need for additional land to support full spectrum training operations will require further resources in this constrained budget environment. For example, do you believe that the ongoing range expansion at the JRTC at Fort Polk is a mission critical initiative even as the Army draws down its forces and alters its mix of units.

ODIERNO:

Congressman, as -- as -- as we -- we draw down and as we come out of Afghanistan and other places, it's imperative that we continue to improve our jewels of our training programs which is the national training center and the joint readiness training center and CMTC in Europe and make them the most capable and qualified so we're able to prepare to ourselves for the upcoming threats and what they might be so we can properly train our -- our soldiers and so it is a very important part of our program.

It will be reviewed like we view everybody else, as we look at these budget cuts but it's something that we set a high priority on.

FLEMING:

As you know, Fort Polk already has money set aside for land acquisition and that seems to be moving forward, although it's been slower than expected, so you felt that that's still is going to be a very important -- important part of the future?

ODIERNO:

I -- I believe that our -- our training complex (inaudible) are very important and they will have a high priority as we do our review of our budget.

FLEMING:

All right. Thank you gentlemen, my time is up and I yield back.

MCKEON:

Thank you Dr. Fleming.

And we have one more if we could extend, gentlemen (inaudible), Congressman Scott of Georgia.

SCOTT:

Thank you, Mr. Chairman, and gentlemen I'll -- I appreciate you staying past and taking the questions.

As you know, General Schwartz, I represent Robins Air Force Base, the (inaudible) caucus met with Secretary Donnelly yesterday, there were four member of the United States Senate and four members of -- of Congress there including myself. Obviously some of the information that was given to us we did not agree with and felt like there should have been a business case analysis

prior to the decisions being made and certainly I'm -- I'm personally disappointed that my generals that -- that I try to work with that represent our bases were asked to signed confidentiality agreements and there could not even be dialogue between the command structure and a member of Congress who serves on this committee.

He was doing what -- I did not vote for sequestration. I'm doing what I can to help you, prior to hearing from Secretary Donnelly. But one of the things Secretary Donnelly did do in that meeting, and he did it on three separate occasions, is commit that there would be no change to the program managers reported to, and that program managers would continue to report to sustainment.

He said that that would happen for at least the next 24 months and that he would -- and that there would be no changes to that unless there was a business case analysis presented to the Senate and the Congress. And I just -- I appreciate his commitment on that. And I want to ask you for your support, that the program managers will continue to operate the way they currently do.

SCHWARTZ:

That's the Air Force position, sir, and I certainly support that. But I hope you will accept just gentle pushback here. I -- it is interesting that -- and, by the way, the fact that there was interaction at the staff level...

(CROSSTALK)

(UNKNOWN)

Yes, sir, there was.

(UNKNOWN)

I agree there was not interaction at the principle level. And I take note of that, sir. Reporting lines of authority -- you know, the question is where is the (inaudible) in this business between sustainment and acquisition. And, you know, our judgment was that we would have, at each of the depots, an acquisition element that would continue -- that would be aligned with the broader acquisition team, but would represent their interests at the (inaudible).

That, to me, seems to be illogical (ph). In other words, there would be a geographically separated unit. I understand that (inaudible) is concerning about, you know, what it might portend ultimately. And we didn't convince you or the other members of the caucus on this issue.

And so the secretary made a commitment and we certainly would stand by the secretary's commitment. But all I would say is please allow us, again, to come back to you, as the (inaudible) said he would do, to make the cases articulate as we can about why we think we should organize this way.

OK?

SCOTT:

And we would ask that a business case scenario be presented and that there be dialogue between the members of Congress and the generals that are operating the base. I am -- I don't think anybody on this committee or any of you are naive enough to think that we can get through the type of budget reductions we (inaudible) without some changes. I'm certainly not.

But that was a very serious concern to us, and he did make that commitment yesterday. I'm glad to know that you're on board with that, because there was some concern with the press release that maybe there had been some misunderstanding, if you will, in the room (ph). But I'm (inaudible) with that.

And, gentlemen, all of you play a important role in Georgia, whether it's the (inaudible) logistics base in Albany or King's Bay or Benning. And if I can ever be of assistance to you, please let me know. Thank you.

And thank you for your commitment (inaudible).

MCKEON:

Thank you, Congressman Scott. And thank each of you for your dedication for the servicemembers, military families and veterans.
We're adjourned.
